Item 1 - Cover Page

AFP Group, LLC

Registered Investment Adviser

AFP Group, LLC
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Form ADV Part 2A

Firm Brochure
March 19, 2020

This brochure provides information about the qualifications and business practices of the AFP Group, LLC. If you have any questions about the contents of this brochure, you should contact Mr. John Anderson, CFP® at (317) 431-0544.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about the AFP Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 164651.

While the firm and its associates may be registered with the State of Indiana, that registration does not imply an endorsement by any regulatory authority, nor imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 - Material Changes

The firm has amended its Form ADV Part 2A brochure from the previous version dated March 10, 2019 due to an update to its reportable assets under management as of its most recent fiscal year end (please see Item 4). The firm has also added some work for a local nonprofit on Other Business Activity (please see item 19).

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or may contact our firm at (317) 431-0544 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

Item 3-Table of Contents

Important Information

Throughout this document Anderson Financial Planning Group, LLC shall also be referred to as the “AFP Group, LLC” the “firm,” “our,” “we” or “us.” These terms are utilized for the reader’s ease of use while reviewing the brochure and are not meant to imply the firm is larger than it actually may be at the time of publication. The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*.

Item 4 - Advisory Business

Description of the Firm

Anderson Financial Planning Group, LLC is an Indiana domiciled limited liability company formed in 2012, and doing business as the AFP Group, LLC. Our firm is not a subsidiary of nor do we control another financial services industry entity. In addition to our 2012 registration as an investment adviser in the State of Indiana, our firm and its associates may register or meet certain exemptions to registration in other jurisdictions in which we conduct investment advisory business.

Mr. John Anderson, noted in Item 19 of this brochure, is the firm's managing member, designated principal (supervisor), and majority unit holder (shareholder).

Description of Advisory Services Offered

The AFP Group, LLC holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients.

The firm provides a range of investment advisory solutions to its clients. For those interested in areas such as cash flow and budgeting, education funding, retirement planning, risk management, estate planning, tax planning, as well as periodic investment advice, we provide our financial planning and investment consultation services. We also provide ongoing and continuous supervision of clients' portfolios through our investment supervisory services offering.

We typically begin by conducting an introductory interview that is provided by a qualified representative of our firm to determine the scope of services for your engagement. During or prior to your first meeting, we will provide you with our current Form ADV Part 2A firm brochure that incorporates our privacy policy, and you will receive a Form ADV Part 2B - Brochure Supplement (Advisory Personnel) from the investment adviser representative who will be assisting you. The firm will also ensure any material conflicts of interest are disclosed regarding our firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage our firm for its services, we must first enter into a written agreement (our client services agreement); thereafter, discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, we may require current copies of the following documents early in the process:

- Wills, codicils and trusts,
- Insurance policies,
- Mortgage information,
- Tax returns,
- Current financial specifics including W-2s or 1099s,
- Information on current retirement plans and benefits provided by your employer,
- Statements reflecting current investments in retirement and non-retirement accounts, and
- Completed risk profile questionnaires or other forms provided by our firm.

It is important that the information and financial statements you provide is accurate. We may, but are not obligated to, verify the information you have provided, which will then be used in the financial planning or investment advisory process.

Financial Planning and Investment Consultation Services

Our services may be broad-based or more narrowly focused as you desire. If several or all of the services described are provided together through a broad-based plan, the total time needed to complete these services may be less than the time it would take to complete each service separately because of the efficiency gained by combining more than one service.

Broad-Based Financial Plan

Sometimes called a Comprehensive Financial Plan. This is an in- depth look at all aspects of your financial health: Cash flow/saving assessment, debt management, investment planning, college planning, income tax planning, insurance planning, estate planning, & retirement planning. Our Broad-Based Financial Plan includes two in-person meetings at the beginning, and a follow-up meeting in six months. The first meeting is an informal fact finding meeting, where we will gather all of the data needed to create your plan. The second meeting will include a written review of your goals, financial profile, and financial plan for you to keep for a reference. During this meeting, we will discuss any questions you may have or changes you may need to make to achieve the goals that you have. There will be two follow ups to this meeting. The first will be an overview of what was discussed in the meeting, sent to you via email. The last part of this plan is a two-hour follow up meeting in six months to check on the progress, and to see how the situation may have changed.

Continuing Service Program

Our Continuing Service Program provides ongoing services to clients who desire on demand access to their financial planner without the concern for hourly billing. This Program consists of a two-year contract that includes the benefits of a Broad-Based Financial Plan. You can expect to have full time, business hours access to your financial planner via phone or email. Your Financial Planner will be available, on request, to accompany you in meetings with your Attorney, Accountant, Financial Advisor, or other financial professional (Limited to 4 meeting per year). This Program also includes quarterly reviews, either in-person or via technology, to go over investment performance, asset allocation, and budgeting. The quarterly reviews may also include tax strategies, employee benefit questions, college planning, or other topics that come up at certain times of the year.

For Businesses and Employers, we offer the following Packaged Services

Financial Planning Seminars

These are one-hour general education seminars for employees, which include information on the company benefits package.

Retirement Plan Type and Provider Selection

This service begins with a meeting to go over your company's goals, concerns, and limitations. We will use this information to conduct an evaluation of your current retirement plan type and provider, if there is one. If your current plan type and plan provider are the best fits for your needs, then we will inform you of that fact, and no further action is needed. If your current plan or plan provider are not the best options for you, we will recommend the type of retirement plan that best fits your company's objectives. Once a retirement plan type is agreed upon, we will then use a proposal process to help you with the selection of a new provider for that plan, if warranted.

Investment Recommendations for Retirement Plans

This packaged service will begin with a review of the Investment Policy Statement (IPS) for your Retirement Plan. If you do not have an Investment Policy Statement, we will help commit the plan to a disciplined investment strategy. Once the IPS has been reviewed or a disciplined strategy has been created, we will use that strategy to evaluate your plan's current investment choices. This evaluation will lead to the recommendations to either keep or discard current investments and will also include suggested replacements for discarded funds.

Ongoing Retirement Plan Service

The premier service offering that our company provides is the Ongoing Retirement Plan Service. This Package, which we offer to small businesses, is a comprehensive service that comes with a three year contract. Quite a bit of the leg work is done at the beginning of this plan, because it takes time to get to know your business and develop a plan tailored to your needs. Once that has been accomplished, and a plan has been set up, we continue to work on maintaining the Retirement Plan so that you stay compliant and up to date. Here you can see what you can expect when you decide to work with us:

The Ongoing Retirement Plan Service begins with all of the offerings above in the following order:

1. When you sign our contract, you receive the following services
   - 1.1. Retirement Plan Type and Provider Selection
   - 1.2. Investment Recommendations for Retirement Plans
   - 1.3. Individual Employee Counseling: abbreviated one-on-one individual employee evaluations

Once these items have been accomplished, you can expect to receive the following services on an annual basis, for the remainder of your contract:

1. Review of Plan Documents and Compliance Issues
2. Review of Investment Performance and Cost
3. Review of Changes in Employer Goals or Limitations
4. Review Total Fees Paid

In addition to these annual benefits, you can expect the following benefits on a semi-annual basis:

1. Brief Meeting with Employer: this is to discuss any new developments since the last meeting
2. Individual Employee Counseling

Investment Supervisory Services

You may also engage our firm to implement investment strategies that we have recommended to you. Depending on your risk profile, and needs, among other considerations, your portfolio will involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles as described in further detail in Item 8 of this brochure.

Where appropriate, we will prepare an investment policy statement (IPS) or similar document reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints you may have for the portfolio. Your IPS will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since the IPS, to a large extent, will be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan.

We provide our investment supervisory services on either a discretionary or non-discretionary basis (further defined in Item 16), and our services may include the following**:**

- Investment strategy
- Investment policy statement
- Asset allocation
- Asset selection
- Risk tolerance
- Regular monitoring
- Periodic rebalancing

Educational Workshops

We may provide educational workshops at no cost to attendees on an “as announced” basis for groups desiring general advice on investments and personal finance. Topics may include issues related to financial planning, educational and estate planning, retirement strategies, or various other economic and investment topics.

Our workshops are educational in nature and do not involve the sale of insurance or investment products. Information presented will not be based on any one person’s need nor do we provide individualized investment advice to attendees during our general sessions.

Client-Tailored Services and Client-Imposed Restrictions

Broad-Based v. Modular Financial Planning

A broad-based plan is an endeavor that requires detail, therefore, certain variables can affect the cost involved in the development of the plan: the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, special needs of the client or their dependents, among others.

While certain broad-based plans may require 10 or more hours to complete, complex plans may require more than 20 hours. Alternatively, we may concentrate on reviewing only a specific area (modular planning), such as college funding, a portfolio allocation, or evaluating the sufficiency of your retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established. Whether we have created a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them, as well as offer you periodic reviews thereafter (see Item 13).

Unless stated otherwise in your agreement with our firm, upon completion of our presentation or delivery of advice, our financial planning and investment consultation engagement is typically concluded. We recommend that you return for periodic reviews.

In all instances involving our financial planning and investment consultation services, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

Investment Account Restrictions

As noted in your IPS or similar document, we will account for any reasonable restrictions you may require for the management of your investment account(s). For example, a client may prefer to avoid or require certain types of holdings (e.g., "sin stocks," international or small cap stocks, etc.) in their portfolio.

We want to note that it will remain your responsibility to promptly notify us if there is any change in your financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations.

Wrap Fee Programs

Our firm does not sponsor or serve as a portfolio manager in any investment program involving wrap fees.

Client Assets Under Management

As of December 31, 2019, our firm had approximately $2.67 million of clients' assets under its management[1] under discretionary account agreements.

General Information

The AFP Group, LLC does not provide legal or accounting services. With your consent, we may work with your other advisers (attorneys, accountant, etc.) to assist with coordination and implementation of accepted strategies. You should be aware that these other advisers will charge you separately for their services and these fees will be in addition to our advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. AFP Group, LLC cannot warrant or guarantee any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Item 5 - Fees and Compensation

Method of Compensation and Fee Schedule

Hourly Fees

We are engaged for our financial planning and investment consultation services under an hourly fee arrangement. The hourly rate is $150 per hour; billed in 10-minute increments (six increments per hour), and a partial increment (i.e., seven minutes, etc.) will be treated as a whole increment.

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[1] The term "assets under management" and rounding to the nearest $100,000 are as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.

Fixed Fees – Individuals and Families

Broad-Based Financial Plan – this is an in-depth look at all aspects of your financial health. Please note that the Broad-Based Financial Plan fee is $1,500.

Continuing Service Program – this program provides ongoing services to clients who desire on-demand access to their Financial Planner without the concern for hourly billing. This Program consists of a two-year contract that begins with a Broad-Based Financial Plan. The fee for this Program is $3,600, and consists of the client's choice of twenty-four monthly payments of $150 each, or eight quarterly payments of $450 each.

Fixed Fees – Businesses and Employers

Financial Planning Seminars – these are one-hour general education seminars for the employees, which include information on the company benefits package. The Financial Planning Seminar package is $500.

Retirement Plan Type and Provider Selection – this service is used to evaluate the current retirement plan type and provider, if there is one. If there is not a retirement plan in place, or your current plan or provider are not the best fit for your needs, a new plan type or a new plan provider will be recommended. The fee for the Retirement Plan Type and Provider Selection Package is $750.

Investment Recommendations – this packaged service is used to create or review the retirement plan's Investment Policy Statement (IPS), and to evaluate the plan's current investment choices. Once the IPS and the investment options have been reviewed, recommendations on the investments will be made. The Investment Recommendation Package is $750.

Ongoing Retirement Plan Service – This package is a comprehensive service that comes with a three-year contract. The Ongoing Retirement Plan Service Package includes semi-annual benefits which include a brief meeting with the Employer to discuss any new developments, as well as one hour of individual employee consulting. This service costs $2,000 per year.

Asset-Based Fees

Accounts in which we serve under an investment supervisory services agreement will be assessed an annualized asset-based fee that will be calculated based on the reporting period end value. Fees will be billed quarterly, in arrears, as described in the table below.

Assets Under Management	Asset-Based Fee Range*
$0 - $500,000	1.00%
$500,001 - $2,000,000	0.75%
$2,000,001 - $5,000,000	0.50%
$5,000,001 - above	0.40%

Aggregating Account Fees

For the benefit of discounting your asset-based fee, we may aggregate investment supervisory services accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's or incompetent person's account. Should investment objectives be substantially different for any two or more household accounts requiring different investment approaches or operational requirements, we reserve the right to apply our fee schedule separately to each account.

Negotiable Fees

The services to be provided to you and their specific fees will be detailed in your engagement agreement. Our published fees may be discounted by our firm but they are not negotiable.

We strive to offer fees that are fair and reasonable in light of the experience of the firm and the services to be rendered. Similar services may be made available from other providers and potentially at a lower fee.

Client Payment of Fees

Hourly Fees

Fees may be paid by check or cashier's draft from a US-based bank; we do not accept cash or similar forms of payment for our engagements. Hourly fees are generally due upon your receipt of our invoice, and engagements that are greater than 30 days in duration may be billed monthly, in arrears.

Asset-Based Fees

Annualized asset-based fees will be billed quarterly, in arrears. Your first billing cycle will begin once your agreement is executed with our firm and your investment supervisory services account is funded. Fees for partial quarters will be prorated based on the remaining days in the reporting period in which the firm services the account. Fee payments will generally be assessed within 15 days of each billing cycle.

Accounts will be valued in accordance with the values disclosed on the statement the client receives from the custodian for the purpose of verifying the computation of the advisory fee. In the absence of a market value, we may seek an independent third-party opinion or a good faith determination by a qualified associate of our firm.

By signing our firm's engagement agreement, as well as the selected custodian account opening documents, you will be authorizing the withdrawal of transactional fees (see following section) and our advisory fee from your account. All fees will be clearly noted on account statements that you will receive from the assigned custodian, and we will send you written notice of the fees to be deducted from your account. The notice will include the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based. The withdrawal of these fees will be accomplished by the selected custodian, not by our firm, and the custodian will remit our investment supervisory services fee to our firm. Please note that you will be responsible for verifying the accuracy of the fee calculation; the custodian will not verify the accuracy for you.

Additional Client Fees

Any custodial or transactional fees (sometimes termed *brokerage fees*) assessed by selected service providers, individual retirement account fees, or qualified retirement plan account termination fees will be borne by the accountholder and are per those provided in current, separate fee schedules of any selected service provider.

Fees paid by our clients to our firm for our advisory services are separate from any transactional charges a client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

Interest at 10% per year may be assessed on our advisory fee balances that are more than 45 days past due. Further, we reserve the right to suspend our advisory services once an account is deemed past due.

Additional information about our fees in relationship to our business practices are noted in Items 12 and 14 of this document.

Charged Prepayment of Client Fees

Advance Payment for Certain Services

We may require an initial deposit of up to one half of your engagement fee for our financial planning and investment consultation services, which will be defined in your agreement with our firm.

Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing. Should you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

If our Form ADV Part 2A firm brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract, then you have the right to terminate the engagement without penalty within five business days after entering into the agreement. Should you terminate an engagement after this time period, you may be assessed fees for any time or charges incurred by our firm in the preparation of your plan or investment allocation. We will promptly return any prepaid, unearned amount upon receipt of termination notice.

For those clients who utilize our investment supervisory services, our firm will not be responsible for future allocations, investment advice or transactional services (except closing transactions) upon receipt of a termination notice. Upon termination, it will be necessary that we inform the custodian serving the account that the relationship between the firm and the client has been terminated.

External Compensation for the Sale of Securities to Clients

Our firm and any affiliated associate are engaged for fee-only services and we attempt to recommend "no load" investments whenever practical. We do not charge or receive a commission or mark-up on your securities transactions, nor will the firm and our associates be paid a commission on your purchase of a securities holding that we recommend.

We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company we may recommend. Fees charged by issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

You will always have the option to purchase recommended or similar investments through your own selected service provider.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

Our fees will not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm's practices.

Item 7 - Types of Clients

We provide our advisory services to individuals, trusts, estates, foundations and charitable organizations; businesses of various scale as well as their pension and profit sharing plans. Our ability to provide our advisory services depends on access to important information about our clients. Accordingly, it is necessary that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you.

It is also very important that you keep us informed on significant changes that may call for an update to your financial and investment plans. Events such as changes in employment, unplanned windfall, marriage or divorce, or the purchase or sale of a home or business can have a large impact on your circumstances and needs. We need to be aware of such events, so we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

Our firm does not require minimum income levels, minimum level of assets or other similar conditions for its advisory services. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, or pre-existing relationships. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

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

Methods of Analysis and Investment Strategies

Method of Analysis

If we are engaged to provide investment advice, we will first gather and consider several factors, including your:

- current financial situation
- current and long-term needs
- investment goals and objectives
- level of investment knowledge
- tolerance for risk
- restrictions you may have the management of your portfolio

When we are formulating our investment advice for your portfolio, we employ a blend of fundamental and technical analyses. For example, we evaluate economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. We may also use patterns of price movements of securities and market indices to determine the health and relative outlook of individual securities as well as market levels.

In addition to our own research, the firm's recommendations may also be drawn from sources that include materials from economists and other industry professionals, corporate rating services, company press releases, annual reports, prospectuses and regulatory filings.

We make asset allocation and investment policy decisions based on these and other factors. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

Investment Strategies

We recognize that each client's needs and goals are different; subsequently portfolio strategies and underlying investment vehicles may vary. Generally, we ascribe to Modern Portfolio Theory, an award winning strategy based on the belief that proper diversification and risk management will provide an investor client with a stable and consistent return over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

In limited situations, when deemed appropriate for a particular client portfolio, the firm may utilize an active asset management strategy with the intent of potentially profiting from: (*i*) identifying or leveraging mispriced securities, or (*ii*) producing similar returns with less risk, or (*iii*) producing returns greater than a stated benchmark (e.g., a well-known index). For example, we may attempt to outperform the Standard & Poor's 500 Index by purchasing underpriced stocks or derivative instruments (e.g., options) representing these positions.

Investment Strategy and Method of Analysis Material Risks

<u>Investment Strategy Risks</u>

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or your entire principal. In general, risks regarding markets include interest rates, company, and management risk, among others. Examples include:

<u>Active Management Strategy</u> – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

<u>Company Risk</u> – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

<u>Financial Risk</u> – Excessive borrowing to finance a business operation increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

<u>Fundamental Analysis</u> – The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk – When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Management Risk – An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

Market Risk – When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

Passive Market Strategies – Should a portfolio employ a passive, efficient markets approach (often associated with Modern Portfolio Theory), an investor will need to consider the potential risk that the broader allocation may at times generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the average return for the asset class. It is felt that this variance from the "expected return" is generally low under normal market conditions if the portfolio is made up of diverse, low or non-correlated assets.

Research Data – When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. Therefore, while our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Socially Conscious Investing – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

Technical Analysis - The risk of investing based on technical analyses is that there may not be a consistent prediction a future price movement, or the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired.

Security-Specific Material Risks

ETF/ETN and Mutual Fund Risk – ETFs/ETNs and mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also reflects the risks of their underlying securities.

Fixed Income Risks – Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

- *Credit Risk* - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

- *Duration Risk* - Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

- *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

- *Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

- *Reinvestment Risk* – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Index Investing – ETFs and indexed funds have the potential to be affected by "active risk" or "tracking error risk;" which might be defined as a deviation from a stated benchmark. Since the core of a portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index fund or ETF that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a satellite holding; utilize very active satellites, or use a "replicate index" ETF or fund as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

QDI Ratios – While many ETFs, ETNs, and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered "non-qualified" under certain tax code provisions. We consider a holding's QDI when tax-efficiency is an important aspect of the client's portfolio.

Item 9 - Disciplinary Information

Neither the firm nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm's advisory business or the integrity of our firm.

Item 10 - Other Financial Industry Activities and Affiliations

Our policies require our firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

Neither the firm, management, nor its associates are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) introducing broker, or as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Neither AFP Group, LLC, nor its management, is or has a material relationship with any of the following types of entities:

- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- third-party pension consultant
- sponsor or syndicator of limited partnerships
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

Upon your request, we may provide referrals to various professionals, such as an attorney or accountant. While these referrals are based on our best information, we do guarantee the quality or adequacy of the work provided by these referred professionals. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

Associates of our firm may also be licensed insurance agents offering annuities, life, health or long term care coverage insurance through various unaffiliated companies or agencies. Therefore, an associate may serve a client in one or more capacities, whether as an investment adviser representative or insurance agent. Our associates are required to disclose in advance of the transaction or service the capacity in which they are serving a client, to include how they are being compensated for their role, and the conflict of interest the role or service to be provided may incur.

Recommendation or Selection of Other Investment Advisers and Conflicts of Interest

While it is typically not our practice to do so, should we ever provide you with a recommendation to an unaffiliated registered investment adviser to manage your portfolio we will first ensure we have conducted what we believe is an appropriate level of due diligence on the recommended third party adviser, to include ensuring their firm is appropriately registered or notice-filed within your jurisdiction. Please note that we are not paid for this referral nor do we share in any fees these firms may receive in managing your account.

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

Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

Associates of the firm who are CERTIFIED FINANCIAL PLANNER™ Professionals adhere to the Certified Financial Planner Board of Standards, Inc. principles, which state:

Principle 1 – Integrity
An adviser will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisers are placed by clients in positions of trust by clients, and the ultimate source of that trust is the adviser's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity
An adviser will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an adviser functions, an adviser should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence
Advisers will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisers make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness
Advisers will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality
Advisers will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access.
A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism
Advisers will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisers cooperate with fellow advisers to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence
Advisers will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

The firm periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires all access persons to attest to their understanding of and adherence to the Code of Ethics at least annually.

A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

Privacy Policy Statement

AFP Group, LLC respects the privacy of all clients and prospective clients ("customers"), both past and present. It is recognized that you have entrusted the firm with non-public personal information and it is important that all firm access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information clients provide to complete their financial plan or investment recommendation;
- Information clients provide in engagement agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about client transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access is restricted to customer information to staff that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed to not discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information about a spouse's IRA account or to adult children about parents' accounts, etc.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its privacy policy on an annual basis per federal law and at any time, in advance, if firm privacy policies are expected to change.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a "related person" (e.g., associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter or adviser to an issuer of securities, etc.

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

The firm recognizes that should it act as the adviser to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of its investment adviser representatives serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. The firm may require its employee to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue and with consideration made to offset participant fees.

Investment adviser representatives may also serve as licensed insurance agents, and certain clients may have both an investment advisory and insurance relationship. In instances where an insurance product is purchased subsequent a financial plan the firm has been engaged by the client to develop, and the purchase is made through an associated representative (as agent) that results in a commission being paid to the agent by the issuer, the firm may (but is not obligated to) offset its financial planning fee at the discretion of a firm principal or as required by jurisdictional statute.

AFP Group, LLC is able to provide a broad range of services to its clients, including financial planning, investment consultation, and investment supervisory services; we may be paid a fee for some or all of these services. Due to our firm and its associate's ability to offer two or more of these services and possibly be compensated for each aspect of the engagement, a potential conflict of interest may exist. Therefore, we note that you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete all of them through our firm or a service provider whom we may recommend.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), our policy requires that we restrict or prohibit related parties' transactions in specific securities. Any exceptions or trading pre-clearance must be approved by our firm in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Please see our response in the previous section termed *Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest*.

Item 12 - Brokerage Practices

Factors Used to Select Broker/Dealers for Client Transactions

Your accounts must be separately maintained by a qualified custodian (generally a broker/dealer, futures commission merchant, national bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian, there is not an affiliate that is a custodian, nor does a custodian supervise our firm, its activities or our associates. We do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

We have entered into agreements with Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade Institutional, a division of TD Ameritrade, Inc., and Interactive Brokers LLC ("Interactive Brokers"), an Interactive Brokers Group, Inc. company, to serve as custodian for our clients. All three custodians are a FINRA and SIPC members,[2] and SEC-registered broker/dealers. While we recommend that you use a particular custodian, you must decide whether to do so, and you will open the account by entering into an account agreement directly with them. We do not technically open the account for a client at a custodian, but we assist our clients in doing so. If a client does not wish to place their assets with one of these custodians, we may be able to serve as investment advisor with another custodian of the client's choice if the other custodian's policies allow us to do so.

Our custodians offer independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm receives certain benefits from a custodian through participation in their independent advisor support program (please refer to Item 14 for further details), however, there is no direct link between our firm's participation in their program and the investment advice we may provide to our clients. Our firm conducts periodic assessments of any recommended service provider, which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraphs and in Item 14. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Our firm may, in its discretion and following custodian authorization, accept the client's transfer of preexisting retail mutual funds into their account. A transfer-in-kind of retail share class mutual funds may potentially benefit the client since they are able to invest in their portfolio more quickly, mitigate tax and/or short-term trading liabilities, and/or avoid contingent deferred sales charges (CDSC). Our firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client. In addition, if account assets remain in a retail share class and within a CDSC period, we may exclude those assets from our advisory fee until they have been converted to what we believe is a more appropriate share class.

While our firm has access to a broad range of securities through our custodian, it is a finite number. In addition, not all investment managers, share classes, etc., are represented at each custodian. Due to these normal and customary limitations, not all portfolio holdings will be readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain a premise otherwise.

[2] Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at http://www.sipc.org.

Directed Brokerage

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian to our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in Item 14 from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on an account's cash balance.

Client accounts maintained at our custodian are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client's choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated, to aggregate orders, and our firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*, or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. Our clients will be informed, in advance, should trading practices change at any point in the future.

Trading Errors

The firm corrects its trade errors through an account maintained by our custodian, and the firm may be responsible for certain trading error losses that occur within a client account. Clients should be aware that trading error gains in accounts maintained at TD Ameritrade Institutional are swept to an account designated by our custodian which is then donated to a 501(c)(3) charity of TD Ameritrade Institutional's choice. TD Ameritrade Institutional will be obligated to disclose in their own literature to account holders whether such recipients' receipt of such donations presents a material conflict of interest.

Item 13 - Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Financial Planning and Investment Consultation Services

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment consultation services, and we recommend that they occur at least on an annual basis whenever practical.

Reviews will be conducted by your financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation.

Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

Investment Supervisory Services

Investment supervisory services accounts are reviewed on a periodic basis, typically quarterly or more frequent when necessary. These reviews are completed by your investment adviser representative and firm supervisory personnel (i.e., our supervisory principal). We may also engage qualified independent consultants to conduct periodic assessments.

Review of Client Accounts on Non-Periodic Basis

Financial Planning and Investment Consultation Services

You are free to contact our firm for additional reviews when there are material changes that occur in your financial situation or should you prefer to change requirements involving your account.

Non-periodic reviews are generally conducted by your financial planner and under a new or amended agreement and will be assessed at our published rate.

Investment Supervisory Services

Additional reviews by your investment adviser representative and/or supervisory personnel may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Content of Client Provided Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

We may provide portfolio “snapshot” reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting under our financial planning and investment consultation services engagements.

For investment supervisory services accounts, our firm may provide quarterly reports or position performance summary reports, and annual realized gains/loss reports for taxable accounts. Some of our clients may receive additional reports depending on their specific requirements. All firm performance reports (if any are provided) will be in prepared in accordance with appropriate jurisdictional guidance.

Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

Item 14 - Client Referrals and Other Compensation

We may receive an economic benefit from our primary custodian(s) in the form of the support products and services they make available to us and other independent investment advisors. As disclosed under Item 12, our firm participates in our custodians’ investment advisor support programs and we recommend those custodians to our clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give our clients, although our firm receives economic benefits through its participation in the program that are typically not available to “retail investors.” These benefits include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- consulting services
- our access to their trading desk
- access to block trading (which provides our ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client’s accounts)
- the ability to have advisory fees deducted directly from our client’s accounts per our written agreement
- access to an electronic communications network for client order entry and account information

- access to mutual funds with no transaction fees, and to certain institutional money managers
- discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors

Some of the noted products and services made available by a custodian benefit our advisory firm but may not directly benefit each of our clients' accounts. While our firm does not think these services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, certain jurisdictions where we serve client accounts believe they fall under this definition. The availability of these services from a custodian benefits our firm because we do not have to produce or purchase them as long as our clients maintain assets in accounts at that custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than your interest in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm. As part of our fiduciary duty, our firm endeavors to place the interests of our clients first, without consideration to our own financial interest or the interest of a related person. Our clients should be aware that the receipt of any economic benefit by our firm or its associates in and of itself creates a potential conflict of interest and may indirectly influence our choice of custodian for its custody and brokerage services. However, we strive to overcome any implicate bias these benefits might create, and we will avoid recommending services or offer investment advice that is not in your best interest.

We do not engage in solicitation activities involving unregistered persons. If we receive or offer an introduction to a client, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or deny such referral or subsequent services.

Item 15 - Custody

Your funds and securities will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer (e.g., TD Ameritrade, Inc.,), mutual fund companies, or transfer agent. Your assets are not held by our firm or any of our associates. In keeping with our policy involving client funds or securities, we:

- Restrict our firm and associates from serving as trustee or having general power of attorney over a client account;
- Are prohibited from having authority to directly withdraw securities or cash assets from a client account. Advisory fees will only be withdrawn from a client investment account through engagement of a qualified custodian maintaining client account assets, via written client approval;
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of $500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would result in physical control over account assets.

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected service provider, such as your custodian. Typically, these statements are provided on at least a quarterly basis or as transactions occur. We will not create a statement for you nor be the sole recipient of account statements.

Should you receive periodic reports from our firm that includes investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your service provider with any report from our firm.

Item 16 - Investment Discretion

Our firm provides its investment supervisory services on a *discretionary* or *non-discretionary basis* (authority). Similar to a limited power of attorney, *discretionary* authority allows our firm to implement investment strategies and trading decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet stated investment objectives.

This authority will be granted through your execution of our client engagement agreement as well as the custodian of record's limited power of attorney agreement. The custodian will specifically limit our authority within your account to the placement of trade orders and our request for the deduction of our advisory fees.

If you require your account be managed in a *non-discretionary* manner, your prior approval must be made for each transaction with regard to the investment and reinvestment of account assets, or for our firm to give instructions to the custodian maintaining your account (i.e., your wire instructions, etc.). Please note that in light of the requirement for your pre-approval you must make yourself available and keep us updated on your contact information so that instructions can be efficiently effected on your behalf.

In addition to our firm's client services agreement that describes our account authority, as well as the custodian of record's account opening documents, you will be required to complete the custodian's restrictive limited power of attorney form which will allow our firm to implement your investment or distribution decisions, following your authorization, in order to meet your requests. Also note that in certain situations it may be difficult to manage your account under a non-discretionary agreement (i.e., you are a frequent traveler, have unique portfolio management requirements, etc.).

Our firm retains information about all client account directions, limitations and rescissions, and these are reviewed and approved by a firm supervisory principal.

Item 17 - Voting Client Securities

Proxy Voting

Our firm does not vote proxies on your behalf nor do we offer guidance on how to vote proxies. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

Other Corporate Actions

We do not offer guidance on or have the power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

Receipt of Materials

You may receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not generally forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Item 18 - Financial Information

Balance Sheet

Our firm will not take physical custody of your assets. We do not directly withdraw our fees from your account; advisory fee withdrawals must be done through a qualified intermediary (e.g., custodian).
We will not collect fees from you of $500 or more for services we will perform six months or more in advance.

Neither the firm nor its management serves as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients.

Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

Item 19 - Requirements for State-Registered Advisers

Principal Executive Officers and Management Persons

Managing Member/Designated Principal (Supervisor)/Investment Adviser Representative

John Colby Anderson, CFP®
Born: 1983
CRD #: 5181757

Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm through the Form ADV Part 2A and/or Form ADV Part 2B (Brochure Supplement), as well as their business experience for at least the past five years.

Educational Background
Bachelor of Science in Animal Science, Purdue University; West Lafayette, IN
CERTIFIED FINANCIAL PLANNER™ Professional, CFP®[3], Certified Financial Planner Board of Standards, Inc.
Life Insurance Agent License[4] (#475282), Indiana Department of Insurance
General Securities Representative Examination[4]/FINRA Series 7 (Inactive)
Uniform Combined State Law Examination[4]/ NASAA Series 66

Business Experience
Anderson Financial Planning Group, LLC (2012-Present)
Plainfield, IN
Designated Principal/Managing Member/Investment Adviser Representative

Capstone Financial Solutions, LLC (2005-2012)
American United Life Insurance Company (2006-2012)
OneAmerica Securities, Inc. (2007-2012)
[Concurrent roles among affiliates.]
Plainfield, IN
Investment Adviser Representative/Registered Representative/Insurance Agent

Other Business Activities

Mr. Anderson serves on various community organizations including as the interim executive director of a local nonprofit coworking space called Level Two Inc. These different civic activities, he may involve up to 40% of his time during business hours each month. Mr. Anderson will disclose in advance of a transaction or agreement the potential or actual conflict of interest the role or service to be provided may incur.

Mr. Anderson is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading adviser. Therefore, he does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including that as a registered representative of a broker/dealer, and including distribution or service (“trail”) fees from the sale of mutual funds.

Additional Compensation

Mr. Anderson is not compensated for advisory services involving performance-based fees. Neither he nor the firm (or anyone associated with the firm) has a material relationship with the issuer of a security. In addition, our firm prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

Disciplinary Information

Registered investment advisers are required to disclose certain material facts regarding any legal or disciplinary events that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section for Mr. Anderson.

Supervision

Mr. Anderson serves in multiple capacities for the AFP Group, LLC: managing member, designated principal (supervisor), and investment adviser representative. We recognize the inability to segregate certain duties may potentially create conflicts of interest; policies and procedures are employed to ensure appropriate recordkeeping and supervision. Questions relative to the firm, its services or this Form ADV Part 2A may be made to the attention of Mr. Anderson at (317) 431-0544.

Additional information about the firm, other advisory firms, or an associated investment adviser representative, including Mr. Anderson, is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD number. The IARD number for the AFP Group, LLC is 164651. You may also search Mr. Anderson by name or his reference number, which is 5181757.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by contacting the Indiana Securities Division at (317) 232-6681.

Business Continuity Plan

Our firm maintains a business continuity plan that is designed to ensure we appropriately respond to events that pose a significant disruption to its operations. A statement concerning our current plan is available under separate cover.

Professional Designations, Securities Registrations, and Insurance Licenses

[3]The **CERTIFIED FINANCIAL PLANNER™, CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

[4] **FINRA, North American Securities Administrator Association (NASAA) and state insurance examinations** are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities or insurance industry examination does not constitute or imply a person is “approved” or “endorsed” by a securities regulatory organization or state securities or insurance commissioners.