Part 2A of Form ADV: *Firm Disclosure Brochure*

Kelsey Financial, LLC

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This brochure provides information about the qualifications and business practices of Kelsey Financial, LLC ("Kelsey Financial"). If you have any questions about the contents of this brochure, please contact us at (833) 4 KELSEY or steve@kelseyfinanical.net. 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 Kelsey Financial also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 171901.

While Kelsey Financial is a California state-registered investment adviser, registration does not imply a requisite level of skill or training.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure is our newest disclosure document prepared according to the SEC's requirements and rules. As a California state-registered investment adviser, our firm is required to comply with these reporting and filing requirements.

After the initial filing of this Brochure in November 2014 and each year there-after, this Item 2 will be utilized to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

On January 1st 2018, Kelsey Financial updated the fact that our discretionary AUM (assets under management) is now approximately $40,677,912 and our AUM with a third-party money manager is approximately $81,914 as noted in Item 4 if this brochure.

On January 1st 2018, Kelsey Financial updated the fact that Robert Kelsey is now the Chief Investment Officer and that Steve Hoppel is now the Chief Executive Officer \ Chief Compliance Officer as noted in Item 4 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that Robert Kelsey now owns 50% of the company and that Steve Hoppel owns 50% of the Company as noted in Item 4 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it has added several new investment model styles, namely the:

AOP Tactical Market Capitalization ETF Model

AOP Gaming Industry 10 Stock Model

AOP Sector Reversion ETF Model

RTG AOP Models

As Noted in Item 4 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it changed the name of one of its billing schedules from "Kelsey" to the "150 Basis Point Schedule" and that it dropped the "190 Basis Point Schedule" and added the "125 Basis Point Schedule" as noted in Item 4 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it has change the range at which it will charge fixed financial planning fees to $100 to $20,000 as noted in Item 4 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it now offers the Alternative Investment Management Program as noted in Item 4 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it is no longer affiliated with a broker-dealer and will be acting as a fee-only, California state registered investment adviser as deleted from Item 10 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it now has an additional IAR (investment advisory representative) named Kiel Holmes as noted in Item 19 of this brochure.

On January 1st 2018, Kelsey Financial updated the fact that it now has an additional Exempt Solicitor named Bryan Lee as noted in Item 19 of this brochure.

In addition to the above changes, Kelsey Financial, LLC has taken the required action to comply with new regulation issued by the Department of Labor regarding accounts we managed for the benefit of retail Individual Retirement Account (IRA) holders. Kelsey Financial, in its capacity as a fee-only, California state registered investment advisor, is not permitted to charge commissions and other forms of conflicted compensation to account holders covered by these regulations, unless we acknowledge in writing in our contract, or in a separated contract, with these clients, that Kelsey Financial, LLC is a fiduciary to the clients and Kelsey Financial, LLC will comply with the following impartial conduct standards with respect to these clients; (a) investment advice, when given by Kelsey Financial, LLC, is in the best interest of the clients, (b) Kelsey Financial, LLC will not make materially misleading statements to the clients, (c) Kelsey Financial, LLC will earn no more than reasonable compensation, and (d) Kelsey Financial, LLC will provide disclosure regarding how a client pays for services directly or indirectly through any third-party payments, all material conflicts of interest, and measures adopted by Kelsey Financial to follow these impartial conduct standards.

Kelsey Financial will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes, as necessary.

To obtain our firm brochure and brochure supplements (information regarding each of our financial Advisers), our Code of Ethics, or our Privacy Policy, please e-mail us at steve@kelseyfinancial.net, telephone us at (833) 4 KELSEY or mail us.

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Item 4 Advisory Business

Kelsey Financial is a California state-registered investment adviser with its principal place of business located in Moorpark CA. Kelsey Financial was originally formed as a sole proprietorship in 2014 and upon state registration, began conducting business in 2014. Kelsey Financial has since been converted to a California Limited Liability Company (LLC) on December 28, 2015

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 20% or more of this company).

- Robert Kelsey 50% - Chief Investment Officer
- Steven Hoppel 50% - Chief Executive Officer | Chief Compliance Officer

Kelsey Financial offers the following advisory services to our clients:

MODEL AND WRAP FEE BASED PORTFOLIO MANAGEMENT SERVICES

The main focus of our firm is offering investment management services to predominantly individuals, high net-worth individuals and institutional clients utilizing various model portfolios. Clients may utilize Folio Institutional as the custodian of the wrap fee program that we sponsor. Each model portfolio is designed to meet a particular investment goal. Kelsey Financial will manage these portfolios and the client's separate account on a discretionary basis only. Since 1999, the Alpha Optimization Program (AOP), currently comprised of a variety of different managed portfolios, has successfully accomplished its mission of generating positive alpha (Alpha is the difference between the actual return of your portfolio and the benchmark S&P 500) on a risk adjusted basis. AOP is a quantitative trading approach with a stated goal of outperforming the S&P 500 on a risk adjusted basis. Our strategies are specifically detailed below, and methodologies are defined in greater detail in Item 8 of this disclosure brochure. We believe this statistical approach and the selecting of stocks and ETFs based on momentum, provides a very disciplined and mechanical trading style.

AOP Tactical Sector Stock & Inverse Model
A tactically managed equity portfolio consisting of sector stocks, identified for purchase in a top-down manner that may contain up to 30 individual equity positions. If necessary, the model will also use Precious Metal ETFs, Unleveraged Inverse Market ETFs and Cash and Cash Equivalents.

AOP Tactical SRI Sector Stock & Inverse Model
A tactically managed, socially screened equity portfolio consisting of sector stocks, identified for purchase in a top-down manner that may contain up to 30 individual equity positions. If necessary, the model will also use Precious Metal ETFs, Unleveraged Inverse Market ETFs and Cash and Cash Equivalents. The equity positions identified for purchase are socially screened and are based on social avoidance rather than social advocacy policies.

AOP Growth Sector Stock Model
An actively managed total equity portfolio consisting of sector stocks, identified for purchase in a top-down manner that may contain up to 30 individual equity positions. If necessary, the model will also use Precious Metal ETFs and/or Index ETFs as a substitute for the individual equity positions.

AOP Growth SRI Sector Stock Model
An actively managed, socially screened total equity portfolio consisting of sector stocks, identified for purchase in a top-down manner that may contain up to 30 individual equity positions. If necessary, the model will also use Precious Metal ETFs and/or Index ETFs as a substitute for the individual equity positions. The equity positions identified for purchase are socially screened and are based on social avoidance rather than social advocacy policies.

AOP Established Momentum Sector Stock Model
An actively managed total equity portfolio consisting of sector stocks, identified for purchase in a bottom-up manner that may contain up to 30 individual equity positions. If necessary, the model will also use Precious Metal ETFs and/or Index ETFs as a substitute for the individual equity positions.

AOP Dynamic Fixed Income ETF Model
A tactically managed fixed income portfolio consisting of fixed income ETFs, identified for purchase in a bottom-up manner that may contain up to 5 positions. If necessary, the model will also us Unleveraged Inverse Market ETFs and Cash and Cash Equivalents.

AOP Tactical Market Capitalization ETF Model
A tactically managed equity portfolio consisting of index ETFs (SPY, MDY & IWM), identified for purchase as the three-major market capitalization index ETFs. If necessary, the model will also use Unleveraged Inverse Market ETFs and Cash and Cash Equivalents.

AOP Index ETF Asset Preservation Model
A passively managed Index ETF portfolio designed to mirror the performance and risk of a diversified 75% Bond / 15% Equity / 10% Cash allocation. This model is rebalanced at least quarterly.

AOP Index ETF Income Model
A passively managed Index ETF portfolio designed to mirror the performance and risk of a diversified 65% Bond / 30% Equity / 5% Cash allocation. This model is rebalanced at least quarterly.

AOP Index ETF Enhanced Income Model
A passively managed Index ETF portfolio designed to mirror the performance and risk of a diversified 45% Bond / 50% Equity / 5% Cash allocation. This model is rebalanced at least quarterly.

AOP Index ETF Growth and Income Model
A passively managed Index ETF portfolio designed to mirror the performance and risk of a diversified 36% Bond / 60% Equity / 4% Cash allocation. This model is rebalanced at least quarterly.

AOP Index ETF Growth Model
A passively managed Index ETF portfolio designed to mirror the performance and risk of a diversified 17% Bond / 80% Equity / 3% Cash allocation. This model is rebalanced at least quarterly.

AOP Index ETF Aggressive Growth Model
A passively managed Index ETF portfolio designed to mirror the performance and risk of a diversified 3% Bond / 94% Equity / 3% Cash allocation. This model is rebalanced at least quarterly.

AOP Gaming Industry 10 Stock Model
A passively managed stock portfolio designed to mirror the performance and risk of the VanEck Vectors Gaming ETF, while only buy securities on U.S. equity exchanges. This model consists of 10 equally weighted gaming stocks and is rebalanced at least quarterly.

AOP Sector Reversion ETF Model
Period managed sector EFT models consisting of SPDR Sector ETFs, identified and weighted for purchase based on the prior similar period's performance versus the S&P 500. Periods of rebalancing consist of 3 month, 6 months, 1 year, 3 years and 5 years.

RTG AOP Models
Ready-to-Go Folios (RTGs), created by Folio Institutional and some of their money managers, offer over 100 strategy diverse equity, ETF and fixed income models; some active and some passive. Through our custodial arrangement with Folio Institutional our clients can participate in pre-built RTGs that we manage based on instruction from the money manager. Each RTGs methodology, list of holding and performance can be seen at https://www.folioinvesting.com/folioinvesting/rtg/

As previously stated, Kelsey Financial participates in wrap fee programs by providing portfolio management services. Where clients are direct clients of our advisor, the client's investment strategies will be managed through discussions with the respective consultant and the client, in which the client's goals and objectives are established, the client along with the investment advisor representative of Kelsey Financial will determine which of the model portfolios is suitable to the client's particular circumstances or would be most appropriate. The clients will determine if they prefer an aggressive, moderate or conservative approach. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, and that of each client's individual needs. In this instance, clients should be aware that Kelsey Financial and its investment adviser representatives also receive a portion of the wrap fee for our services.

<u>Sub Advisory Relationship in the Wrap Fee Program</u>

Kelsey Financial is the Sponsor of the AOP Wrap Fee Program. As such, Kelsey Financial may act as a sub-advisor to other independent, unaffiliated advisors; Kelsey Financial relies on the independent advisors to determine the appropriate models for their clients. Through discussions with the respective consultant, in which the client's goals and objectives are established, the client, along with the investment advisor representative, will determine which of the model portfolios is suitable to the client's particular circumstances or would be most appropriate. The clients will determine if they prefer an aggressive, moderate or conservative approach.

<u>General Information for Wrap Account Clients (either directly managed or sub-advisory)</u>

<u>Clients participating in Kelsey Financial’s Sponsored Wrap Fee Account will receive a separate Wrap Fee Program Brochure from Kelsey Financial.</u>

The separately managed clients will not have the ability to place restrictions on the types of investments to be held in the client's specific AOP model(s). Clients will retain an undivided, individual ownership of all account securities. We will maintain current client suitability information in the client’s file in order to ensure that the investment plan continues to be suitable and that the client's account continues to be managed in a manner appropriate to the client's financial circumstances. Our firm manages the portfolios on the Folio Institutional platform. Minimum account sizes are addressed in Item 7 of this brochure.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

- at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
- be reasonably available to consult with the client; and
- maintain client suitability information in each client's file.

THIRD PARTY MONEY MANAGER PROGRAM (TPMM)

SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS

The Advisor provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. Based on the client's individual circumstances and needs the Advisor will then perform management searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. The client's Advisor is available to meet with clients on a regular basis, or as determined by the client, to review the account. The Advisor will monitor the performance of the selected registered investment adviser(s). If the Advisor determines that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's goals and objectives, the Advisor may suggest that the client contract with a different registered investment adviser and/or program sponsor. In that case, the Advisor will assist the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

FINANCIAL PLANNING AND CONSULTING PROGRAM

Kelsey Financial also provides financial planning and consulting services. Financial planning can be a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Financial planning can also be for one or more specific investment goals, such as retirement planning or educational expenses, as selected by the client. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients selecting this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. In general, the financial plan can address any one or more of the following areas:

• PERSONAL: We review family records, budgeting, personal liability, estate information and financial goals.

• TAX & CASH FLOW: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

• INVESTMENTS: We analyze investment alternatives and their effect on the client's portfolio.

• INSURANCE: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

• RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

• DEATH & DISABILITY: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

• ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and other issues related to elder care.

The Advisor gathers required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. The Advisor carefully reviews documents supplied by the client, including a questionnaire completed by the client, and prepares a written report. Should the client choose to implement the recommendations contained in the plan, the Advisor suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. Typically, the financial plan is presented to the client within six weeks of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by any specific issuer, broker-dealer or insurance company. All recommendations are of a generic nature. Kelsey Financial also offers pension consulting services, primarily for pension, profit sharing and 401(k) plans, and also, where appropriate, to individuals and trusts, estates and charitable organizations. Pension consulting services are comprised of four distinct services, and clients may choose any one or more of these services, consisting of the following:

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

The Advisor will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. The Advisor will then prepare a written IPS detailing those needs and goals and describing the investment policies policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

The Advisor will assist plan sponsors in constructing appropriate asset allocation models. The Advisor will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

The Advisor will monitor client investments continually, based on the procedures and timing intervals delineated in the IPS. Although the Advisor is not involved in any way in the purchase or sale of these investments, the Advisor will supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), the Advisor may also provide educational support, at least annually, and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by the Advisor and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

INVESTMENT SUPERVISORY SERVICES

Although we endeavor to meet our client's goals and objectives in an effective and efficient manner through the use of model portfolios, on occasion we are called upon to provide continuous management of one or more of a client's portfolios on an individual basis, i.e. in a non-model portfolio. Such instances may occur when the client's primary goal is current income, rather than capital appreciation, when the account has non-traditional or closely held assets and, in other instances, where the model portfolios would not facilitate the achievement of the client's long-term financial goals and objectives, when the client has legacy assets with substantial capital gains and when the client wants to direct his own trades. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions of any type on these accounts. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- ETFs/Mutual fund shares

VARIABLE ANNUITY MANAGEMENT PROGRAM

In this program, the Advisor may manage variable annuity sub accounts. After consultation with their Advisor, clients may select appropriate services and enter into an agreement for asset management services. Management of variable annuity sub accounts is generally limited to the sub-account models designated by Kelsey Financial from the available investment vehicles provided by the annuity company. The Advisor may assist the client with selecting the account assets within the annuity sub account or assist with selecting a Third-Party Money Manager to select assets within an annuity sub account. Clients may allocate account assets within the annuity sub-accounts based on their investment objectives and financial situations. As RIA Advisors, not registered with a broker-dealer, Kelsey Financial will have never sold the variable annuity to the client and would have never received a commission on the purchase. In some cases, fees for managing the sub-accounts may be deducted from the annuity. Fee deductions are generally considered distributions from the annuity, and may affect the annuity contract terms, and may have tax consequences. Clients are encouraged to consult with a tax professional regarding any tax ramifications related to variable annuity. Given the complexity of many variable annuity contracts, including elected guarantees and/or riders, internal management fees, and surrender charges, clients should discuss the contract terms of their annuity with their Advisor to determine the impact fee deductions will have on contract terms. Clients may receive an invoice for payment of fees, or, subject to certain restrictions, elect to have fees deducted from a different account.

ALTERNATIVE INVESTMENT MANAGEMENT PROGRAM

In this program, the Advisor may manage alternative investments within clients' managed account custodianed at Folio Institutional. After consultation with their Advisor, clients may select appropriate alternative investments and enter into an agreement for asset management of those products. Management of alternative investments is generally limited to the due diligence, tracking and assisting clients in selecting alternative investment that is appropriate based on their investment objectives. The Advisor may assist clients with selecting the alternative investment to be placed in their managed account. As RIA Advisors, not registered with a broker-dealer, Kelsey Financial, LLC will have never sold the alternative investment to clients as a front-end loaded, commission product and would have never received a commission on the purchase of the alternative investment. Kelsey Financial, LLC intends to charge a reasonable advisory fee based on the assets of the alternative investment. Advisory fees on the alternative investments will never be withdrawn from the product but rather from the available cash within clients' managed accounts. Clients are encouraged to consult with a tax professional regarding any tax ramifications related to investing in an alternative investment. Given the complexity of many alternative investments, including tax implications, internal management fees, and surrender charges, clients should discuss the product prospectus of their alternative investment with any of their trusted Advisors. As any and all alternative investments solicited and/or purchase will be available on the Folio Institutional platform, clients will receive a similar online invoice and calculations of fees as they would for their other managed assets with Kelsey Financial, LLC.

Additional California Disclosures

"All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding Kelsey Financial, our representatives and any employees, which could be reasonably expected to impair the rendering of unbiased and objective advice."

"Pursuant to §260.235.2 CCR, where a conflict exists between the interests of the investment adviser or associated persons and the interest of the client; the client is under no obligation to act upon the investment adviser's or associated person's recommendation; if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser, the associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person."

AMOUNT OF MANAGED ASSETS

As of 1/1/2018, we have $40,677,912 of assets under our discretionary management, and $81,914 under the management by a third party.

Item 5 Fees and Compensation

WRAP FEE BASED PORTFOLIO MANAGEMENT FEES

Clients' fees will be increased by the addition of advisory fees, which are wrapped into the overall Program fee. Kelsey Financial's wrap based combined total fees will not exceed the industry standard total of 3%. Fees are negotiable.

Kelsey Financial has a variety of standard fee structures and reserves the right to create custom fee schedules based on individual clients' needs. All of Kelsey Financial's standard base fee plans contain breakpoints as assets under management increase beginning at the following ranges:

Maximum fee to client for each plan:

Plan # 1 = 1.50%, Plan # 2 = 1.25%, Plan # 3 = 0.95%, Plan # 4 = 0.75%, Plan # 5 = 0.50%, Plan # 6 = 0.20%

WRAP FEE BASED SUB-ADVISORY MANAGEMENT FEES

ALPHA OPTIMIZATION PROGRAM (AOP) WRAP FEES

As this is a wrap fee program, the fees are "wrapped" into one fee. Kelsey Financial is the sponsor of the wrap fee program and may act as a sub-advisor to your advisor. The client's independent, unaffiliated advisor will charge the client a separate fee for advisory services and will provide Kelsey Financial with a copy of the client's agreement with the specific advisor, which outlines the fee the client and the unaffiliated, independent advisor have agreed upon. As the program sponsor, Kelsey Financial collects the total fee "wrap fee" from the client and pays your advisor the fee that was agreed upon in your separate contract with that advisor. Specifically, and on the client's behalf, Kelsey Financial pays a portion of the fee we receive from the client to the selected investment adviser(s) for that independent and unaffiliated investment adviser's advisory services to the client participating in the wrap fee program, calculated by our contract custodian, on the value of assets in the client's account managed by that particular investment advisor. Although these amounts may be changed from time to time with notice to clients. Clients' fees will be increased by the addition of advisory fees, which are wrapped into the overall Program fee. Kelsey Financial's wrap based combined total fees will not exceed the industry standard total of 3%. Kelsey Financial has a variety of standard fee structures and reserves the right to create custom fee schedules based on individual clients' needs. All of Kelsey Financial's sub-advisory standard base fee plans contain breakpoints as assets under management increase and begin at the following ranges:

Maximum fee to client for each plan:

Plan # 1 = 1.50%, Plan # 2 = 1.25%, Plan # 3 = 0.95%, Plan # 4 = 0.75%, Plan # 5 = 0.50%, Plan # 6 = 0.20%

Program Fees General Information for both Kelsey Wrap Clients and Sub-Advisory Clients.

How Are Fees Charged? Program fees will be payable monthly in advance (or in arrears if otherwise stated by the Third-Party Manager) and on a prorated basis upon deposit of any additional funds or securities in the client's account. Fee payments are assessed at the beginning of each month based on the reasonable market value of the assets (securities, cash and cash equivalents) in the client's account as of the close of business on the last business day of the preceding month. If assets are deposited into the client's account after the inception of a month, the account fee payable, with respect to such assets, will begin the following month. Additional deposits of funds and/or securities will be subject to the same billing procedures. If management begins after the start of a month, Program fees will begin the following month. As well, when authorized by the client, fees will be directly debited from the client's account in accordance with the terms set forth in the Investment Management Agreement ("IMA").

What services are covered by the Program fees? The Program fees pay for our firm's advisory services to clients under the Program, administrative expenses of the Program, custody charges for clients' assets custodied and brokerage services for the Program accounts to the extent trades are conducted through Folio Institutional.

What services are not covered by the Program fees? The Program fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than Folio Institutional, and custody charges, if client assets are custodied anywhere other than Folio Institutional. The Program fees do not include expenses of mutual funds and exchange traded funds such as fund management fees charged to each fund's investors, mark-ups, mark-downs, or spreads paid to market makers, and/or odd-lot differential fees. Fees will be calculated and debited from the account in accordance with the client's written authorization located in the client's custodial agreement with the contracted custodian.

Wrap Fee Programs and Separately Managed Account Fees. Clients participating in separately managed account programs may be charged various program fees in addition to the Advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

INVESTMENT SUPERVISORY SERVICES

Our annual fee for investment supervisory services (“Management Fee”) is a percentage of the market value of the Assets under our management in accordance with the fee schedule noted below. Investment supervisory services fees will be payable monthly in advance and on a prorated basis upon deposit of any additional funds or securities in the client’s account. Fee payments are assessed at the beginning of each month based on the reasonable market value of the assets (securities, cash and cash equivalents) in the client’s account as of the close of business on the last business day of the preceding month. If assets are deposited into the client’s account after the inception of the month, the account fee payable will begin on the first of the following month. Additional deposits of funds and/or securities will be subject to the same billing procedures. When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Investment Management Agreement ("IMA"). Kelsey Financial has a variety of standard fee structures and reserves the right to create custom fee schedules based on individual clients’ needs. All of Kelsey Financial’s investment supervisory services standard base fee plans contain breakpoints as assets under management increase and begin at the following ranges:

Maximum fee to client for each plan:

Plan # 1 = 1.50%, Plan # 2 = 1.25%, Plan # 3 = 0.95%, Plan # 4 = 0.75%, Plan # 5 = 0.50%, Plan # 6 = 0.20%

THIRD PARTY MONEY MANAGER PROGRAM

In most cases, we will charge the client a fee for our advisory services, in the amount provided in our agreement with the client, and each money manager will charge the client a separate fee in the amount provided in the separate agreement between that money manager and the client. Our fees for this program range from 0.00% to 1.00% of the value of assets held in the account.

FINANCIAL PLANNING AND CONSULTING FEES

Our financial planning and consulting fees are determined based on the nature of the services being provided and the complexity of each client’s circumstances. All fees are agreed upon prior to entering into a contract with any client. In some cases, we charge an hourly fee for financial planning and consulting services, up to a maximum of $350.00 per hour. Although the length of time it will take to provide a financial plan will depend on each client's personal situation; we will provide an estimate for the total hours at the start of the advisory relationship. In other cases, our fees may be charged on a fixed fee basis, or a percentage of assets managed, as negotiated with the client. Fixed fee arrangements typically range from $100.00 to $20,000, depending on the specific arrangement reached with the client. Financial Planning maintenance and fees are typically charged year over year, billed monthly. We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed $500 or be charged more than six months in advance. The balance is due upon completion of the plan. For pension plan consulting services, an annual fee is typically agreed to in advance with the client, and the plan sponsor is invoiced in advance (or in arrears) at the beginning of each month (or quarter).

Financial Planning Fee Offset: We may reduce or waive the hourly fee and/or the minimum fixed fee and/or percentage of AUM fee if a financial planning client chooses to engage us for our portfolio management services.

VARIABLE ANNUITY MANAGEMENT PROGRAM

Our annual fee for variable annuity management (“Management Fee”) is a percentage of the market value of the Assets under our management in accordance with the fee schedule noted below. Along with our management fee the annuity company and/or the custodian may charge appropriate platform fees. Investment supervisory services fees will be payable monthly in advance and on a prorated basis upon deposit of any additional funds or securities in the client’s account. Fee payments are assessed at the beginning of each month based on the reasonable market value of the assets (securities, cash and cash equivalents) in the client's account as of the close of business on the last business day of the preceding month. If assets are deposited into the client's account after the inception of the month, the account fee payable will begin on the first of the following month. Additional deposits of funds and/or securities will be subject to the same billing procedures. When authorized by the client, fees will be calculated and debited by the custodian from the account in accordance with the terms set forth in the client's custodial agreement with the contract custodian. Kelsey Financial has a variety of standard fee structures and reserves the right to create custom fee schedules based on individual clients' needs. All of Kelsey Financial's variable annuity managed program base fee plans contain breakpoints as assets under management increase and begin at the following ranges:

Maximum fee to client for each plan:

Plan # 1 = 1.50%, Plan # 2 = 1.25%, Plan # 3 = 0.95%, Plan # 4 = 0.75%, Plan # 5 = 0.50%, Plan # 6 = 0.20%

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

CA State Requirements: Termination of the Advisory Relationship - the client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Mutual Fund Fees: All fees paid to Kelsey Financial for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the Advisory services being provided.

Additional Fees and Expenses: In addition to our Advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Direct Debit vs Billing: When authorized by the client, fees are debited from the account in accordance with the terms set forth in the client's custodial agreement with the contracted custodian. Although the client and Kelsey Financial agree to the annual fee percentage as demonstrated in the Investment Advisory Agreement, the custodian holding your assets calculates the fee and debits the clients account. Clients are provided with an itemized billing notification with their online custodial portal or upon request to Kelsey Financial, prior to the custodial debiting of your account. Please review these notices carefully and contact Kelsey Financial with questions or discrepancies. Typically, the management fee is deducted directly from your accounts, but, in limited circumstances, we may bill clients directly for their fees. Clients who do not have direct debiting of fees will also receive an invoice for their fee from our firm.

Limited Negotiability of Advisory Fees: Although Kelsey Financial has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client, called the Investment Advisory Agreement. We may group certain related client accounts for the purposes of achieving the minimum account size requirements (if any) and determining the annualized fee.

Related Accounts: Discounts, not generally available to our Advisory clients, may be offered to family members and friends of associated persons of our firm.

ERISA Accounts: In instances where we provide management to certain retirement plans, Kelsey Financial may be deemed to be a fiduciary to Advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Kelsey Financial may only charge fees in ERISA accounts for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, where those fees are used to offset Kelsey Financial's advisory fees.

Advisory Fees in General: Clients should note that similar Advisory services may (or may not) be available from other registered investment Advisers for similar or lower fees.

Compensation from Other Business Activities: One individual of Kelsey Financial is also licensed with state of California to solicit fixed insurance. In this capacity, this individual has the ability to receive separate compensation for the fixed insurance products he recommends to clients. This presents a conflict of interest as this gives Kelsey Financial personnel an incentive to recommend investment products based on the compensation received, rather than on a client's needs basis. To mitigate this conflict, we advise our clients that no Kelsey Financial client is obligated to purchase any products or services from this individual. Kelsey Financial has included a list of possible conflicts of interest and ways in which we mitigate these conflicts of interest in Items 10 and 11 of this Firm Disclosure Brochure. Clients are free to purchase investment products that we recommend through any broker/dealer or agent of their choice, that are not affiliated with our firm. In doing so clients may be charged commissions or mark-ups in addition to our advisory fees. Our firm does not primarily recommend mutual funds. Other than as noted in the ERISA section above, we do not receive and thus do not provide offsets for commissions or 12b-1 fees that might be incurred by our clients. Fixed insurance commissions and other revenues do not represent 50% or more of our total compensation.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of $500 more than six months in advance of services rendered.

California State Required Disclosures: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment advisers disclose to their Advisory clients that lower fees for comparable services may be available from other sources.

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

Kelsey Financial does not charge performance-based fees.

Item 7 Types of Clients

Kelsey Financial provides Advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Other Advisers
- Pension and Profit Sharing Plans
- Charitable Organizations
- Corporations and Other Businesses

Clients should note that Folio Institutional does not require a minimum account size and charges a 20 basis point platform fee, that is paid by Kelsey Financial as part of the Wrap Agreement. Additionally, each Third-Party Money Manager will dictate each of their account size minimums. These account size restrictions are subject to change and are negotiable by our firm, at any time and in our sole discretion. We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Nevertheless, from time to time our minimum separate account size may require that the firm decline to accept particularly small accounts.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Economic and Market Analysis. We attempt to review, summarize and interpret broad global economic and market tends and themes for the purpose of risk identification and opportunity recognition. Not so much as to market timing but as an aid to overall asset allocation analysis, market-wide trends and developing themes are considered. Recently increased levels of market volatility are considered as are technical and other factors including funds flows, currency movements, commodity prices, inflation, employment, political or regulatory changes.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is
that the models used may be based on assumptions or calculations that prove to be incorrect.

Tactical Asset Allocation. We use an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. Tactical asset allocation can be described as a moderately active strategy, since the overall strategic asset mix is returned to when it is judged that the advantageous conditions no longer exist. This strategy demands some discipline, as we must first be able to recognize when tactical opportunities have run their course, and then rebalance the portfolio back to the long-term asset allocation approach.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Mutual Fund and/or ETF Analysis. We look at the product design, experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, if clients are not participating in a wrap fee based program, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs. In addition, clients should be aware of the potential for less favorable tax treatment of short-term capital gains.

Trading. We purchase securities with the idea of selling them very quickly (typically within 60 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. The risk involved with a Trading strategy is that we may not always see the opportunity at the best price available and therefore, we may not be able to take full advantage of short term opportunities.

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

Our firm and management persons have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

As previously stated in Item 5 of this disclosure brochure, one individual of Kelsey Financial is also licensed with the state of California to solicit fixed insurance. Neither Kelsey Financial nor any of our management persons are registered, or have a registration pending, as a futures commissions merchant, commodity pool operator, a commodity trading adviser or an associated person of the foregoing entities. There are no referral fee arrangements between Kelsey Financial and any other firm. While Kelsey Financial and this individual endeavors at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the ability to receive separate, additional compensation itself creates a conflict of interest, and may affect the judgment of this individual when making recommendations. Clients should be aware that when any affiliated person(s) of Kelsey Financial receive additional compensation this creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Our firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; we take the following steps to address this conflict:

I. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
II. We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
III. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
IV. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
V. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Except as those noted above, our firm and our related persons are not engaged in any other additional financial industry activities and have no other industry affiliations. We may have referral arrangements with any other registered investment advisers or any other referral arrangements. Kelsey Financial may recommend or select investment advisers and may receive compensation, either directly or indirectly, for such recommendations. Management and related persons of our firm do not have any relationships or arrangements with issuers of securities.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable California securities laws. Kelsey Financial and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics contains policies and procedures which comply with Rule 204A-1of the Adviser's Act which requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions. Kelsey Financial's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of Ethics is available to our Advisory clients and prospective clients. You may request a copy by email sent to steve@kelseyfinancial.net, or by calling us at (833) 4 KELSEY. Kelsey Financial and individuals associated with our firm are prohibited from engaging in principal transactions. Kelsey Financial and individuals associated with our firm are prohibited from engaging in agency cross transactions. Kelsey Financial does not recommend to clients, or buys or sells for client accounts, securities in which Kelsey Financial or any related person of the Adviser, has a financial interest (i.e. we do not act as principal on securities transactions, we are not general partners in any partnerships for which we solicit client investments and we do not act as an adviser to any investment company that we recommend to our clients). We may purchase securities which we recommend to clients. To mitigate conflicts of interest where employees' trades are favored over client trades, we will aggregate our employee purchases with our client trades and no employee or related account will be favored over any client account. No employee or related account may trade ahead of any client transactions. Our firm will maintain holdings reports and our Chief Compliance Officer will review these reports to ensure that no employees have traded ahead of our clients. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of Advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an Advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of Advisory accounts. As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

i. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
ii. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
iii. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
iv. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
v. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer.
vi. We have established procedures for the maintenance of all required books and records.
vii. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
viii. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
ix. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
x. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

xi. Any individual who violates any of the above restrictions may be subject to termination.

As previously disclosed in Item 10, a related person of our firm is separately licensed with the state of California to sell fixed insurance. Please refer to the preceding section for a detailed explanation of these relationships and important conflict of interest disclosures.

Additional California Disclosures

“All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding Kelsey Financial, our representatives and any employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.”

“Pursuant to §260.235.2 CCR, a conflict exists between the interests of the investment adviser or associated persons and the interest of the client; the client is under no obligation to act upon the investment adviser's or associated person's recommendation; if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser, the associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.”

Item 12 Brokerage Practices

Kelsey Financial requires that clients provide us with written authority to determine the custodian to use. Kelsey Financial will make every attempt to obtain best execution, but clients should be aware that the use of our unaffiliated custodian, as well as the commissions charged by the unaffiliated custodian, may be higher than commissions or charges otherwise available. Accounts in these programs will be held at Folio Institutional. The advisor in its sole discretion may recommend the use of the other custodian in the future. Clients must include any limitations on this discretionary authority in written statement. Clients may change/amend these limitations as required. Some mutual funds that may be purchased for an advisory account pay annual distribution charges to custodians, sometimes referred to a “12b-1 fees” and these 12b-1 fees may be partially re-allocated to Kelsey Financial. Kelsey Financial will aggregate trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such aggregation. Trade aggregation may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Kelsey Financial will typically aggregate trades among clients whose accounts can be traded at a given broker. Kelsey Financial's aggregated trading policy and procedures are as follows:

1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Kelsey Financial, or our firm's order allocation policy.

2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Kelsey Financial to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a model order ticket is completed on Folio Institutional’s platform which syncs to each clients’ account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion

to the client's participation. Under the client’s agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be documented no later than the morning following the execution of the aggregate trade.

8) Kelsey Financial's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on Kelsey Financial's records and to the custodian or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another. Kelsey Financial strives to offer our clients best execution services based on a total mix of all factors, services, as well as quality of execution and products offered by performing a periodic review of these factors. Kelsey Financial has not accepted and does not receive any soft dollar compensation. Kelsey Financial does not receive brokerage incentives for client referrals. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty. We mitigate any and all conflict by disclosing it to our clients. Kelsey Financial does not direct trades to specific custodians for benefit of any kind.

11) Should a Third-Party Money Manager be engaged Kelsey Financial will allow the Third-Party Money Manager to select the custodian of the assets. Clients are encouraged to review the Third-Party Money Manager’s form ADV for a description of available custodians.

Item 13 Review of Accounts

PORTFOLIO MANAGEMENT AND SEPARATE ACCOUNT MANAGEMENT

REVIEWS: While the underlying securities within portfolio management services accounts are continually monitored, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by the Chief Compliance Officer.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, we offer, at least annually, meetings and reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan and/or online access to the eMoney financial planning portal. Additional reports will not typically be provided unless otherwise contracted for.

PENSION CONSULTING SERVICES

REVIEWS: Kelsey Financial will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Kelsey Financial will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly. These accounts are reviewed by the Chief Compliance Officer.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay and/or receive referral fees to and/or from independent persons or firms ("Solicitors") for introducing clients to us and/or them. Whenever we pay and/or receive a referral fee, the Solicitor is required to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid by clients referred by solicitors are not increased as a result of any referral. Currently, Kelsey Financial has two solicitors referenced in Item 19 of this document.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our custodian is authorized to directly debit Advisory fees from client accounts and pay Kelsey Financial a portion of those fees. As part of this billing process, the client's custodian calculates the amount of the fee to be deducted from that client's account. On at least a quarterly basis, typically monthly, the custodian is required to send to clients and/or post to clients' online custodial account portal a statement showing all transactions within the account during the reporting period. Because the custodian calculates the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement. As a state of California registered investment adviser, we are not deemed to have custody and are not required to comply with CCR Section 260.237.2. Kelsey Financial does not have the authority to make withdrawals from client accounts to pay our advisory fees. As previously disclosed in Item 5 of this disclosure brochure, the client signs a custodial agreement with the contracted custodian allowing the custodian to calculate and directly debit fees. Kelsey Financial does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and to
- Determine the amount of the security to buy or sell; and to
- Determine the time and price of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement (within the Investment Advisory Agreement) with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients; however, clients will receive proxy information directly from their custodians. Therefore, although our firm may provide investment Advisory services relative to client investment assets, clients maintain exclusive responsibility 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an Advisory firm that maintains discretionary authority for clients' accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Kelsey Financial has no additional financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of $500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. Kelsey Financial has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

The following individuals are the principal executive officers and management persons of Kelsey Financial: Steve Hoppel, Chief Executive Officer and Chief Compliance Officer, and Robert Kelsey, Chief Investment Officer. Information regarding the formal education and business background for Steve Hoppel and Robert Kelsey is provided in their respective Brochure Supplement, attached to this Firm Disclosure Brochure. As previously disclosed, we are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and management persons have no reportable disciplinary events to disclose. As we previously disclosed our other financial activities in "Other Financial Industry Activities and Affiliations" (Items 10), neither Kelsey Financial nor our management personnel have a relationship or arrangement with any issuer of securities.

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