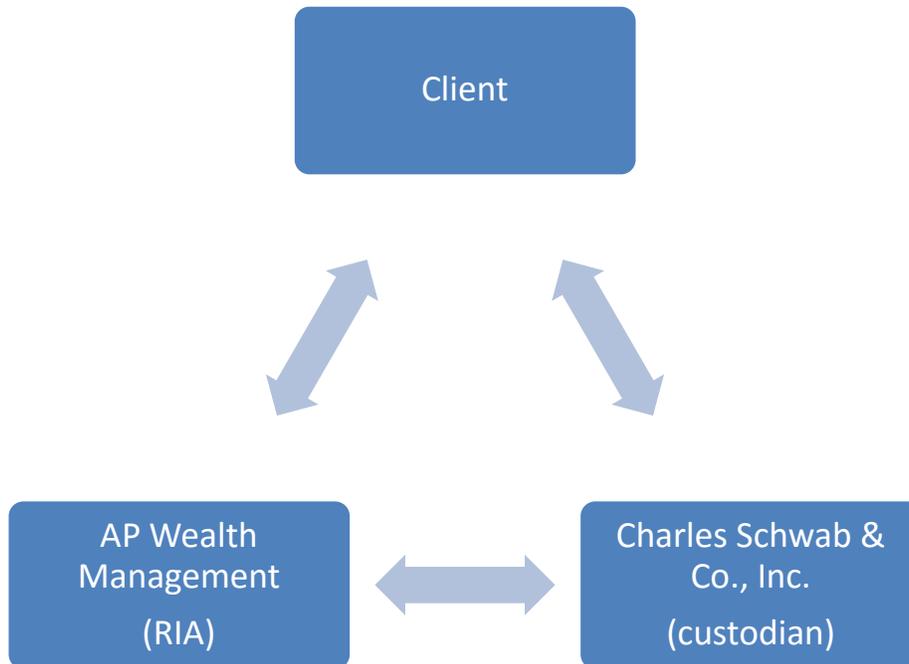


HOW AND WHY WE WORK WITH CUSTODIANS

Do we hold our clients' investments in our own accounts? NO! There are three parties in our business: the client, the Registered Investment Advisor (RIA), and a custodian.



The Client

We listen, then work with our clients to determine their risk tolerance, priorities and time horizon. These factors are essential for determining proper asset allocation, through which we attempt to achieve competitive returns with commensurate risk over the long-term. We also consider other factors when helping clients make investment decisions: their effective tax rate, varying cash needs, and past investing experiences, to name a few.

The Registered Investment Advisor

AP Wealth Management, LLC is an independent Registered Investment Advisor (RIA), registered with The Securities and Exchange Commission. As a **fiduciary**, an RIA is held to the highest standard, which includes acting in the best interests of the client at all times.

The RIA takes information supplied by the client and constructs a portfolio in accordance with the client's needs. The RIA also assumes responsibility for carefully monitoring that portfolio, adjusting in response to changes in the financial environment or in the client's circumstances.

The Custodian

An independent custodian works for the benefit of both the client and the RIA. The custodian serves the client by providing third party, independent information regarding positions and transactions in a client's account. They serve as a "check" to the client that the RIA is living up to the fiduciary standard.

By using Schwab as primary custodian, AP Wealth Management has access to a wide range of products and services that help us serve our clients, including:

- Full range of investment products and trading services
- Wide array of investment account types including retirement accounts, charitable giving, and education accounts
- Full range of investment options such as stocks, mutual funds, bonds, exchange traded funds, CDs and other investments
- Technology and service support so investors can access all their accounts online and view positions, balances and account histories in one place.

The Charles Schwab Corporation is one of the nation's leading providers of financial services. Through their operating subsidiaries, they provide securities brokerage, money management and financial advisory services to individual investors, independent investment advisors and corporate and retirement plan sponsors and participants.

The Charles Schwab Corporation is financially stable, and they are committed to their continued financial health. Their capital structure and liquidity are sound, and their internal controls and business standards are designed to keep client assets safe. They maintain a disciplined focus on risk management and strive to operate the firm conservatively to minimize investment risks. They know that their success ultimately depends on how they serve all of their clients and their confidence in Schwab.

Financial results and more information about The Charles Schwab Corporation's business and financial condition can be viewed at any time at www.aboutschwab.com.

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