

DHS Financial

Strategies

Investment Advisory
Disclosure Brochure
(Form ADV2A)

DHS Financial Strategies
Registered Investment Advisor

107 South 2nd St.
Philadelphia, PA 19106
(P):267-948-7290
(F):267-948-7292
www.dhsfinancial.com



Item 1: Cover Page

DHS Financial Strategies
Investment Advisory Disclosure Brochure
(Form ADV2A)

Main Office:

107 South 2nd St.
Philadelphia, PA 19106
(P):267-948-7290
(F):267-948-7292

You may also visit us on the web at www.dhsfinancial.com

This brochure provides information about the qualifications and business practices of DHS Financial Strategies, a registered investment adviser with the PA Department of Banking and Securities. If you have any questions about the contents of this brochure, please contact DHS Financial Strategies at (267) 948-7290. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about DHS Financial Strategies is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There are no material changes to report.

Item 1: Cover Page

Item 2: Material Changes

Item 3: Table of Contents

| | |
|---|-----------|
| Item 4: Advisory Business | 1 |
| I. Discretion-managed portfolios | 1 |
| II. Non-discretionary managed portfolios | 2 |
| III. Financial Planning | 3 |
| IV. Summary of Financial Advisory & Planning Services and Related Fee Structures | 3 |
| Item 5: Fees and Compensation | 10 |
| I. Discretion-managed portfolios | 10 |
| II. Non-discretionary managed portfolios | 11 |
| III. Financial Planning | 12 |
| IV. Other Compensation & Conflicts of Interest | 13 |
| Item 6: Performance-Based Fees | 13 |
| Item 7: Types of Clients | 13 |
| Item 8: Methods of Analysis, Investment Strategies and Risk of Loss | 14 |
| Item 9: Disciplinary Information | 15 |
| Item 10: Other Financial Industry Activities and Affiliations | 15 |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 15 |
| Item 12: Brokerage Practices | 16 |
| Item 13: Review of Accounts | 17 |
| Item 14: Client Referrals and Other Compensation | 17 |
| Item 15: Custody | 17 |
| Item 16: Investment Discretion | 18 |
| Item 17: Voting Client Securities | 18 |
| Item 18: Financial Information | 18 |
| Item 19: Requirements for State Registered Advisors | 18 |

Item 4: Advisory Business

This section will describe to you our firm, the advisory services we offer, how we tailor your portfolio to your individual needs, which of our advisory services allows you to impose investment restrictions, and the total amount of assets we manage.

Our Firm

Who we are... Established in 2013, DHS Financial Strategies (DHSF), based in Philadelphia PA & Chicago IL, specializes in financial planning and wealth management for individuals with substantial wealth and incomes, plan sponsors & employers, and the mass affluent (i.e. public educators) seeking assistance with financial planning. As a division of Diversified Human Solutions Inc., a full service corporate employee benefits firm, we realized that many plan sponsors as well as 401K & 403b plan participants needed guidance that they were not receiving. So DHS Financial Strategies was established. We serve as our clients' personal financial advocate. We provide comprehensive, objective advice and do not sell investment products. We aim to provide affordable retirement planning for individuals through their IRA, 401(k), 403(b), 457(b), 401(a), non-qualified accounts, and other funds dedicated to retirement. Furthermore, we assist in asset accumulation for and risk management for clients who have met retirement savings goals and have significant discretionary assets, as well as more unique advisor coordination services for ultra-high net wealth investors as well as highly compensated employees / business owners.

DHSF, a registered investment advisor, focuses on clients in or around the Philadelphia & Chicago area. DHSF is not affiliated with any of the companies whose products we offer / use, allowing our Advisory Representatives to offer you independent advice. DHSF is privately owned.

Our Advisory Services

What we offer... DHSF offers the following advisory services. Further descriptions are provided below.

- I. Discretion-managed portfolios
- II. Non-discretion managed portfolios
- III. Financial Planning

In choosing one or more of the services above, your Advisory Representative will work with you to assess your needs and investment objectives. You may be asked to complete confidential investor profiles, or other similar questionnaires and applications, containing a variety of financial and personal information such as investment goals, income requirements, time horizon, and tolerance for risk. Our goal is to provide you professional to help you reach your financial goals.

DHSF offers advisory services on a number of non-proprietary platforms. The platform chosen by you will depend on the tax type of your account(s), the account custodian you wish to work with, the advisory programs you prefer, and how you wish to compensate DHSF and your Advisory Representative for services rendered. All advisory clients have the right to terminate contracts with DHSF without penalty within 5 days after entering into the contract.

I. Discretion-managed portfolios

DHSF Managed Portfolios

DHSF offers a number of Asset Management programs. These Asset Management Programs are managed to meet the stated objective of the Program. When you choose an Asset Management Program, you will authorize DHSF and its assigned Asset Manager to make discretionary asset allocation decisions in your account based on the discipline of the program(s) chosen. Each Asset Manager appointed by DHSF offers a unique discipline of investing. Based on a preliminary Profile questionnaire completed by you, your Advisory Representative will make a recommendation to you as to the Asset Manager, Program and risk level appropriate for you.

Although the ultimate responsibility as to the management of your account remains with DHSF, DHSF relies on the expertise and management disciplines of its Asset Managers to manage each Program portfolio to the stated discipline and risk level. DHSF, however, retains the authority to modify any allocation instructions received by an Asset Manager. If an Asset Manager or Program ceases to be available or is removed from DHSF's offerings, DHSF will notify you in writing, in advance, and if we do not hear back for you, we will move your assets within that Program to a new Asset Management Program with a commensurate level of risk.

You are responsible to notify your Advisory Representative of any changes in your financial situation or investment objectives or to give any investment restrictions that you wish to impose so that your Advisory Representative can suggest the appropriate advisory service for you. If you wish to impose investment restrictions, DHSF's Asset Management Programs may not be the appropriate advisory service for you as they cannot be customized to your investment restrictions.

Please refer to Item 8, Methods of Analysis, Investment Strategies and Risk Loss, for a description of the primary investment strategies utilized by DHSF's Asset Managers.

Advisory Representative Managed Portfolios

Certain experienced Advisory Representatives have been granted the ability to manage investor portfolios on a discretionary basis utilizing investments such as, but not limited to, mutual funds, exchange traded funds, stocks, bonds, and option writing. All Advisory Representative's portfolios are custom managed to your risk tolerance, income, any investment restrictions requested by you and tax management objectives, if applicable. Your managed assets may be custodied at a broker dealer of your choosing that will allow you to give your Advisory Representative discretion. The fees and transactional costs associated with maintaining and trading in your managed account may vary.

II. Non-discretionary managed portfolios

Client Custom Portfolio (CCP)

CCP is available on DHSF's Folio, Scott Trade, and Interactive Brokers Platforms only. For an advisory fee charged on all assets in the account, (the Base Fee), you have access to purchase with no sales charge (at Net Asset Value) thousands of open-ended mutual funds across many fund families. Your Advisory Representative will provide one-on-one professional investment advice to help you choose the right investments, leaving the final investment decisions to you. The Advisory Representative will work with you to design a portfolio based on your investment objectives, tolerance for risk, and any investment restrictions requested by you.

In addition to CCP, DHSF offers a number of other non-discretionary advisory services that are administered and custodied by third parties, where DHSF may act as Advisor, Co-Advisor or

Solicitor on your behalf.

Co-Advisor / Selection of Other Advisors

DHSF, as Co-Advisor, may introduce you to third party independent registered investment adviser in order to provide you with certain specialized investment advisory services. The third party independent registered investment adviser will be registered in the state of your legal residence. We will not utilize any non-registered independent advisers. Neither DHSF nor your DHSF Advisory Representative performs the ongoing discretionary asset management in your portfolio. This is done by the third party independent registered investment adviser. The role of DHSF and its Advisory Representative is to work with both you and the independent registered investment adviser to ensure that their program continues to meet your needs and goals. The selection of other advisors will be based on the client's investment goals and risk tolerance and is a standard part of DHSF's investment advisory services. There are no additional fees charged by DHSF for this service and receives no compensation from the third party independent registered investment adviser if you choose to utilize their services.

Investment Analysis

Advisory Representatives may, for a fee, provide investment analysis on assets held away from DHSF; for example, your 401(k) assets held within your employer's plan. Advisory Representatives may assist you in diversifying and risk adjusting your entire household of investments. Advisory Representatives may charge you for their analysis through a flat, hourly or per asset based fee.

III. Financial Planning

Select DHSF Advisory Representatives are approved to offer Financial Planning for a fee. Financial Planning services may include, but not limited to, retirement, college, tax or insurance needs analysis, and assistance with divorce and estate distribution matters. DHSF does not require the Advisory Representative to maintain a professional designation prior to offering Financial Planning services. Ask your Advisory Representative about his or her professional designations. DHSF Advisory Representatives are not allowed to give tax or legal advice. Please consult with your personal attorney and tax accountant.

Assets under Management

As of December 31, 2012, DHSF and its Advisory Representatives:

- DHSF was established in 2013 and did not have any assets under management as of December 31, 2012.

IV. Summary of Financial Advisory & Planning Services and Related Fee Structures

DHSF engages in broad based and structured financial planning. Such services typically involve providing a variety of services to clients regarding the management of their financial resources based upon an analysis of their individual needs. The process typically begins with an initial ½ hour complimentary consultation during which the various services provided by DHSF are explained. During or after the initial consultation, if the client decides to engage DHSF for financial planning services, pertinent information about the client's personal situation, financial circumstances, and overall objectives is collected. DHSF will conduct follow-up interviews for the purpose of reviewing and/or collecting financial data as needed. We may also utilize our technology platforms to collect this data to make this process easier for you as well. Once such information has been reviewed and analyzed, a written financial plan, designed to achieve the clients' stated financial goals and objectives, will be produced and presented to the client.

Some clients may only require advice on a single aspect of the management of their financial resources. For these clients, DHSF offers financial planning in an A-la carte format and/or general consulting services that address only those specific areas of concern. If it is determined that the client is only in need of an individual consultation, the client will be obligated to pay the entire fee, as described more fully below, at the end of the consultation. After a consultation has been conducted, the fee is non-refundable.

In general, these A-la carte services include any one or all of the following:

I. Spreadsheet Analysis, Reports, & Consultations: This includes the formation of financial statements which may include a financial summary and cash flow statement as well as an analysis of these items to evaluate the client's current situation and to help build a financial roadmap for the future. DHSF may also consolidate account information such as account titling, account numbers, cost basis, inception dates, market values, and interest/dividend earnings where such information is available.

II. Retirement Planning: This involves advice with respect to alternatives and techniques for accumulating wealth for retirement income or advice relative to appropriate distribution of assets following retirement. Additionally, self-directed retirement assets are evaluated and, where appropriate, recommendations and assistance are provided. Tax consequences and their implications are identified and evaluated in general terms. DHSF is not engaged in rendering legal or accounting advice, has no lawyers or accountants on staff and therefore refers all matters requiring legal or tax advice to the client's chosen and properly licensed professionals in these areas.

III. Investment Planning / Asset Allocation: This involves advice with respect to asset allocation and investment income accumulation techniques. Evaluation are made of existing and, when applicable, potential investments in terms of their economic, and tax characteristics, as well as their suitability for meeting client's objectives. Tax consequences and their implications are identified and evaluated in general terms.

IV. Estate Planning: This service generally involves a review of assets and liabilities, the titling of assets, and the consideration of trusts. However, DHSF may provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques as well as a discussion of gifts, trusts, etc., and the disposition of business interests. Tax consequences and their implication are identified and evaluated in general terms. The client's chosen licensed attorney must be used for evaluation ad document creation.

V. Insurance Planning: This includes risk management associated with advisory recommendation based on the combination of insurance types that best meet a client's specific needs, e.g. life, health, disability, home, auto, long-term care, and others as appropriate.

VI. College Planning: This included alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education experience. Tax consequences and their implication are identified and evaluated in general terms.

VII. Tax Planning: Tax planning is referred to the client's chosen personal tax advisor. DHSF may offer advice as to how tax laws may effect various financial decisions, e.g. acquisitions, pension strategy, investing in new opportunities or consolidation of existing investments,

individual taxation issues, and others.

VIII. Consolidation of Financial Situation: As a result of performing some or all of the services listed above, DHSF may be able to recommend strategies or methods for consolidating the client's financial situation in order for the client to manage their financial situation more easily and to obtain efficiency, cost savings, and diversification.

IX. Business Exit Planning: This involves advice with respect to exiting business ownership of privately owned small to medium sized business. This service is done in concert with an exit strategy advisory team consisting of legal advisors, business consultants, merger & acquisitions associates, tax advisors, and others. For many business owner, their business is their life's work and also their most ill-liquid significant asset. The successful capitalization of that asset takes time and requires a plan and review of exit methodologies such as private equity group recapitalizations, employee stock ownership plans, management buyouts, gifting strategies, and other succession considerations.

X. Fee Structures: The aforementioned services are provided on a fixed, hourly, or retainer fee basis in accordance with the following fee schedule:

Fixed Fees

Fixed fees range between \$2,500 and \$5,000, depending on the complexity of the client's financial situation, and are assessed where a client contracts with DHSF for broad based financial planning or consulting services. Business exit planning services are an exception and is only available under a retainer fee arrangement explained below. Under such arrangements, DHSF requires payment of an initial retainer of \$500 of the estimated fee in advance of services rendered, with the balance due on presentation of the financial plan.

Typically, a client who contracts with the Firm for Spreadsheet Reports, Analysis, and Consultations, Investment Planning, Retirement Planning, and Insurance Planning would only be charged a fee of \$2,500. A \$2,500 plan entails approximately 15 hours which includes:

- Initial information gathering session
- The plan preparation
- The subsequent plan presentation meeting and discussion with client, and
- One follow-up meeting

Clients that contract with DHSF for all the services listed above (with the exception of Business Exit Planning) would typically be charged a fee of \$5,000. A \$5,000 all-inclusive plan entails approximately 30-40 hours which covers the initial information gathering session, the plan preparation, the subsequent plan presentation meeting & discussion, and 4 quarterly reviews to review specific plan items and recommendations. If the scope of a financial planning engagement changes during the planning process, the fees may be adjusted accordingly.

Hourly Fees

DHSF assesses an hourly rate of \$200 for consulting related services and/or modular financial planning. However, DHSF may, in limited circumstances, provide broad based planning on an hourly fee basis. Such fees are generally due on completion of the services, however, other fee arrangements may be established depending on the amount of time required to complete the requested services. All such items will be clearly set forth in the executed agreement for

services.

Retainer Services

Periodic financial planning and consulting services are offered to clients as part of an annual retainer program. Such services include periodic reviews, revisions/updates to the financial plan, and day-to-day consulting as required. Fees will be assessed on a quarterly basis.

The fee is based on the client's income and net worth as follows:

| | | |
|------------------------|-----------------------------|---------------|
| Single | if income and net worth are | Quarterly Fee |
| | \$500,000 - \$1,000,000 | \$375 |
| | \$1,000,001 - \$2,500,000 | \$750 |
| | \$2,000,001 - \$5,000,000 | \$1,250 |
| | \$5,000,001 and above | \$1,875 |
| Married | if income and net worth are | Quarterly Fee |
| | \$700,000 - \$1,250,000 | \$750 |
| | \$1,250,001 - \$2,500,000 | \$1,125 |
| | \$2,000,001 - \$5,000,000 | \$1,500 |
| | \$5,000,001 and above | \$2,500 |
| Business Exit Strategy | if income and net worth are | Quarterly Fee |
| | \$500,000 - \$5,000,000 | \$3,750 |
| | \$5,000,001 - \$10,000,000 | \$5,000 |
| | \$10,000,001 and above | \$6,250 |

DHSF does not charge an additional hourly rate to this schedule and does not limit the hours of consultation for the implementation and research for the first twelve months. The agreement does not obligate the client or DHSF to any further engagement beyond the first twelve months. At their discretion, client may engage DHSF in additional years under the same fee schedule.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client. DHSF clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. DHSF cannot offer any guarantees or promises that the client's financial goals and objectives will be met.

DHSF or the client may terminate the client agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party, upon written notice to the other, may terminate the agreement. Since the fee is payable in advance. If the agreement is cancelled after the first five days but prior to implementation of the plan, a pro-rated fee will be returned based on the amount of time already expensed. After the plan is terminated, there will be no refund of the fee.

The type and amount of the fees charged to the client will be negotiated on a case-by-case basis, and are based on the complexity of the complexity of the client's financial situation and the scope of services to be provided. An estimate of the total cost will be determined at the start of the advisory relationship. *In limited circumstances*, the cost/time could potentially

exceed the initial estimate. In such cases, DHSF will notify the client and may request that the client pay an additional fee.

DHSF does not require a minimum net worth of portfolio size however, broad based financial planning services are generally suitable for clients with a new worth of \$500,000 or greater.

XI. Smaller A la Carte Services: Clients that are not in need of the services described above may receive financial planning related services on a more limited basis. These services may include any one, or more, of the following:

Will Your Money Last?

\$750 Flat Fee

This customized analysis provides an illustration of how long your assets are estimated to last based on an age you select. The client will provide a summary of assets, income and expenses, future expense items, including insurance costs and major expenditures such as property taxes, travel, and health costs. Utilizing inflation rates which are specific to each expense item, and average investment returns for each asset, the client will receive an analysis which will show either that the client will have a shortage, or a surplus at the designated age they have selected. The client will then have an opportunity to view the analysis and have a “What If” analysis prepared. This will include an adjustment of any item the client so chooses, including inflation and interest rates, and expense projections.

Will Your Money Last? (Update)

\$350 per Update

On an annual or bi-annual basis, DHSF will update the client’s analysis with current information. (Requests for updates are limited to less than two years from the initial custom analysis.)

Executive 401k Review Services

Each quarter DHSF will review investment performance and analyze your investment options and allocations. Based on the client’s investment objectives, DHSF will provide recommendations for updates to the 401k allocations. If the client’s 401K investments are available on-line DHSF will, with proper authority granted by the client, provide the review and recommendations using the clients on-line information. The Firm does not effect any transactions; the on-line data is used for viewing purposes only.

| Fee Schedule | |
|-------------------------|-------------------|
| Account Size | Flat Fee |
| \$100,000 to \$499,999 | \$250 per quarter |
| \$500,000 to \$999,999 | \$375 per quarter |
| Accounts over \$999,999 | \$500 per quarter |

Custom Asset Allocation Review

\$450 Flat Fee

A custom designed report, which is based on the client’s investment objective. By utilizing the client’s statement of their existing investments, the report illustrates whether the client’s investments are in balance and if they are over weighted or underweighted in any asset class.

Estate Settlement

\$500.00 Minimum Charge

DHSF will assist clients in settling an estate. Services include compiling and processing the

necessary paperwork and forms and monitoring the process to completion. In addition, DHSF will coordinate the process with the client's attorneys and professionals involved in the settlement. The \$500.00 minimum charge includes three hours of financial planning services. After the initial three hours, DHSF charges \$200 per hour for services rendered by DHSF, and \$75 per hour for services rendered by an assistant(s).

Annual Retainer Consulting Services

\$1,500 Annual Fee

The Firm is available to the client throughout the year to help resolve any financial, tax or estate planning issues. Annually DHSF will plan a strategy meeting for its clients combining all professionals necessary such as the client's attorney, tax advisor or accountant.

Second Opinion Service

\$250 Flat Fee

Includes one meeting with discussion of current financial plan and investments. Limit: One Second Opinion Service per client per year, after which, the client would select from financial planning menu of choices. The client will be instructed to bring information such as investment statements and tax returns which he/she would like for DHSF to review and comment upon. This Service is not intended to provide an analysis or financial plan, but rather a recommendation for possible future action and/or commentary on their question or issue.

\$250 Flat annual renewal fee,

DHSF Wealth Vision

see below for initial fees

DHSF Wealth Vision is an e-Solution to Wealth Management designed to give the client a single access point to securely view the client's financial accounts, insurance, tax, and legal documents. All information is password protected in a secure, encrypted personal web address, accessible only by the client and the client's chosen representatives. Your other financial professionals will be able to view this information as well if you choose to give them access. Accounts participating in portfolio management services offered through associated persons of DHSF in their separate capacity as investment adviser representatives of DHSF will receive a discount on the initial and annual fees for WealthVision services. Such discount increases as the account size increases. The following tools are offered as part of the DHSF Wealth Vision services and may be subscribed to separately:

| | |
|--------------------------------------|--------------------------|
| <i>Financial Account Aggregation</i> | \$250 initial fee |
| <i>Interactive Financial Plan</i> | \$500 initial fee |
| <i>The Vault</i> | \$250 initial fee |

DHSF reserves the right to waive or reduce the financial planning and/or consulting fees if, for example, the advisory client is a family member, personal friend, or where the client implements the plan through associated persons of DHSF in their separate capacity as a registered representative and/or investment adviser representative of DHSF.

The client may terminate the financial planning and/or consulting agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the agreement by providing written notice to the other party. However, the client will incur a pro rata charge for bona fide financial planning and/or consulting services rendered prior to such termination. In the event there are any prepaid unearned fees, DHSF will promptly refund a pro rata share to the event.

General Consulting Services

DHSF offers consulting services, based on the firm's non-negotiable hourly rate of \$175.00 where an Advisory Representative provides a professional opinion on specific financial related areas. The minimum number of hours of consultation is three. The consulting fee is payable at the conclusion of each session. Service will be completed no later than 90 days from the time client furnishes DHSF with all necessary data. The client may apply these hourly fees toward a more comprehensive financial plan within 90 days if the decide to contract DHSF services on a fixed fee financial plan.

Item 5: Fees and Compensation

This section provides to you a description of our advisory fees, how and when these advisory fees are collected, and if refunds are available. Other types of fees and expenses that you may incur are described below in the section titled, "Other Costs That You May Incur." Other compensation that DHSF and/or your Advisory Representative may receive, which may create a conflict of interest, is described in the section titled, "Other Compensation to DHSF and Our Conflicts of Interest."

With the exception of only a few of DHSF's advisory offerings, when you pay DHSF an advisory fee, there are no additional transaction costs or commissions incurred by you from DHSF. Ticket charges for certain trades may be billed to you by a third party. All purchases of mutual funds in DHSF's advisory services are sold at the Net Asset Value (NAV) of the fund on the day of the transaction, and many are sold with no commission or transaction charge to you. DHSF will not apply and commission or transaction charges to you, although unrelated 3rd parties may. Fees may be negotiable depending on the scope of advisory service selected. Be sure to ask your Advisory Representative about the program(s) considered by you and whether you may incur any transaction costs. Transaction costs will largely be a function of the custodian. We aim to keep transaction costs low by working with custodians who provide "discount" transaction costs without.

If the client maintains an account with DHSF for investment advisory services and with a DHSF qualified custodian, fees will be deducted directly from client's custodian account unless otherwise requested by the client. The custodian will then deliver quarterly statements to the client showing all disbursements for the custodian account, including the amount of the advisory fees. Fees will be calculated by the custodian based on the investment advisory agreement signed by the client. DHSF does not send quarterly invoices showing the amount of fees deducted; this is done by the custodian. If the custodian does not calculate the advisory fees and send a quarterly invoice to the client, or the client wishes to be billed directly, DHSF will bill the client directly for services and deliver a duplicate invoice to the custodian / trustee instructing the custodian of the fees to be deducted. Upon agreeing to retain services with DHSF, client will provide written authorization permitting, or not permitting, advisory fees to be paid directly from the custodian account. If client does not wish for fees to be paid directly from the custodian account, the investment advisory contract will be terminated and a financial planning contract will be used instead.

I. Discretion-managed portfolios

DHSF Managed Portfolios

The Asset Management Program Fee will vary depending on the Asset Management Program(s) selected. Most Asset Management Program Managers do not charge DHSF for

managing their Programs; instead, these Program Managers are compensated directly or indirectly by their affiliated mutual funds that are chosen to be in the Program.

DHSF will typically seek to work with Asset Managers who change no more than 1% for a management fee. We seek asset managers who avoid large fluctuations in performance and understand the value of principle protection.

If assets are received into your Asset Management Program at a time other than the last day of the billing period, the initial Asset Management Program Fee in will be assessed on a daily pro rata basis covering the period from the deposit date until the last day of the calendar quarter.

Thereafter, the Asset Management Program Fee is automatically deducted from your account, quarterly in advance, based on the value of your assets under management as of the close of business on the last business day of the preceding quarter. DHSF has established a 2% minimum money market position for all Asset Management Programs.

In the event you terminate your Investment Advisory Agreement following payment of Asset Management Program Fee(s), the portion of your fees assessed for the Asset Management Program Fee(s) shall be refunded on a daily pro-rata basis within (60) days of cancellation.

Advisory Representative Managed Portfolios

If your portfolio is managed with discretion by one of DHSF's Advisory Representatives, the fee for these programs is established by the Advisory Representative and approved by DHSF. Fees are typically asset based, collected quarterly in advance, and may not exceed 2.0% annually. The specific fee schedule for your managed portfolio is provided with the DHSF Advisory Agreement you sign prior to the start of these services.

II. Non-discretionary managed portfolios

Client Custom Portfolio (CCP)

For an asset-based advisory fee, (the Base Fee), you will be provided one-on-one professional advice by one of our Advisory Representatives and access to thousands of open-ended mutual funds, without paying any sales charges. The CCP program will most likely operate on either the Scott Trade or Folio custodial platforms. However, if you wish to use a different custodian, we will accommodate your preferences if allowed to do so by your custodian.

| Portfolio Value | Recommended Annual Base Fee |
|------------------------|------------------------------------|
| First \$75,000 | 0.75% |
| \$75,001 to \$200,000 | 0.50% |
| \$200,001 to \$500,000 | 0.35% |
| Over \$500,000 | 0.25% |

The Base Fee is negotiable, assessed, and billed on calendar quarters and is not refundable. For assets received into your account within a calendar quarter, DHSF waives the Base Fee for the interim period these new assets are in your account in that first quarter.

Thereafter, the Base Fee is automatically deducted from your account, quarterly in advance,

based on the total value of your assets in the account as of the close of business on the last business day of the preceding quarter.

The client may terminate the relationship at any point, upon written notice. In the event you close your account within a quarter, the Premier Base Fee is not refundable.

Some investors, such as employer retirement plan participants, may pay a lower Base Fee. In the event you wish to add additional investment advisors & money managers, at no time will the total fee assessed to you for aggregated advisory services (Base Fee + additional Asset Management Fees) exceed 2.00% annually.

Co-Advisor / Selection of Other Advisors

DHSF, as Co-Advisor, may introduce you to third party independent registered investment adviser in order to provide you with certain specialized investment advisory services. Neither DHSF nor your Advisory Representative performs the ongoing discretionary asset management in your portfolio. This is done by the third party independent registered investment advisor. The role of DHSF and its Advisory Representative is to work with both you and the independent registered investment advisor to ensure that their program continues to meet your needs and goals. The selection of other advisors will be based on the client's investment goals and risk tolerance and is a standard part of DHSF's investment advisory services. There are no additional fees charged by DHSF for this service and DHSF receives no compensation from the third party independent registered investment advisor if you choose to utilize their services.

Investment Analysis

Advisory Representatives may charge you for their investment analysis through a flat, hourly or per asset based fee. You will receive an investment advisory agreement before any analysis begins. This agreement will give you a description of the services and fees you and your Advisory Representative have agreed upon.

III. Financial Planning

Financial Planning services are generally provided to you by the Advisory Representative on a flat fee or hourly fee basis. You will receive a financial planning agreement before any financial services begin. This agreement will describe the services and fees you and your Advisory Representative have agreed upon.

Other Costs That You May Incur

Total advisory fees paid and other costs associated with your portfolio impact the overall performance of your portfolio. It is important to review these costs when making your advisory and investment decisions.

Costs may include the following.

1. **Internal Expenses.** Internal management fees or other expenses charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds and annuity companies charge a fee for the management and operations of their offerings. The higher the internal expense the more impact it will have on the performance of your portfolio.
2. **Brokerage Account Fees.** DHSF offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees, such as,

transaction fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. Please refer to Item 12, Brokerage Practices, for further information.

3. **Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. This could affect your or your Money Manager's ability to properly manage your portfolio as these costs will impact the performance of your portfolio.
4. **Variable Annuity Rider and Contract Costs.** These costs may include annual base annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.
5. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other non-advisory purchases. You should consult the fund prospectus for the product sponsor's specific rules.

IV. Other Compensation to DHSF and Our Conflicts of Interest

DHS Financial Strategies receives no compensation for the sale of securities or other investment products, including asset-based sales charges or sales fees from the sale of mutual funds. We are proud to be a fee-only advisory firm.

DHSF performs services as an employee benefits consultant. However, DHSF receives **no** compensation from the sale of insurance. DHSF maintains serves as a service provider and consultant to institutional clients navigating health care law, compliance requirements, and third party administration activities. DHSF believes that this other compensation is significantly unrelated to most individual's personal financial situations as to be able to free form conflicts of interest.

Some DHSF Advisory Representatives receive compensation from the sale of group insurance products & related administrative services around those products. DHSF does NOT receive any compensation from the sale of insurance. However, we do allow some Advisory Representatives to work primarily within the context of commercial insurance products such as corporate liability, E&O, and Group Employee Benefits. DHSF believes that this other compensation is significantly unrelated to most individual's personal financial situations as to be able to free form conflicts of interest.

DHSF has chosen to address this conflict by asking Advisory Representatives to disclose the types and amounts of other compensation they receive so that when you are making your decision to do business with us, you can personally assess the importance of this compensation in your decision. You always have the option to purchase insurance through non-affiliated brokers or agents. DHSF and its Advisory Representatives will take great care to maintain their fiduciary responsibility in both matters of financial advice / asset management and commercial / group insurance.

Item 6: Performance-Based Fees

DHSF and our Advisory Representatives may receive performance based fees only upon request of the client. A performance based fee is an advisory fee that compensates the adviser for the adviser's success in managing his client's money or "a fee based on the share of the capital gains and appreciate of a client's funds." A performance based fee may induce an adviser to take greater and undue risks with

client's funds in an attempt to generate higher compensation to the adviser. Performance based fees will typically be 10% of overall portfolio gains in lieu of the standard asset management fees outlined in Item 5 of this document.

Your Advisory Fees with DHSF are typically assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

Item 7: Types of Clients

DHSF Advisory Representatives primarily serves the 403(b), 457, 401(k), IRA retirement plan marketplace, and other individual accounts by providing advisory services to these individual participants and beneficiaries, their families and businesses. Some Advisory Representatives primarily provide investment advice to high net worth individuals. DHSF Advisory Representatives also serve plan sponsors & plan participants as a 3(21) fiduciary advisor.

A minimum account size exists for most of the advisory services offered by DHSF. These minimums begin at \$150 per pay period (for retirement accounts) and may exceed over \$100,000 depending on the advisory service selected by you. DHSF may, from time to time, amend or waive the minimum account size for the advisory services offered on its proprietary platforms. Refer to the advisory service materials for more information on minimum account size requirements.

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

Investing in securities involves risk of loss that you should be prepared to bear.

The advisory services and advice offered by DHSF and its Advisory Representatives primarily attempt to provide to you a *risk appropriate diversified portfolio*. A risk appropriate diversified portfolio applies the disciplines and theories of asset allocation. *Asset Allocation* means, first and foremost, *not* putting all your eggs in one basket, and working to design a portfolio that sufficiently allocates your assets across asset class types to help reduce the exposure to market loss that you could incur in your account(s). It is important to understand that Asset Allocation, although a proven theory to reduce risk to your portfolio, does not guarantee a profit or protect against loss.

Asset Classes range from equities - both domestic and international, bonds, cash, and other sector industries such as real estate, technology, energy or gold. Asset classes can be further broken down by market capitalization (company size based on annual revenues) and include large companies (Large Cap), medium size companies (Mid Cap) and small companies (Small Cap). Furthermore, diversification may include alternative investing philosophies such as “short-term” vs. “long-term” & other methodological strategies.

DHSF primarily uses mutual funds, equities, and bonds in its Asset Management Programs. Occasionally, limited use of Options will occur as a “hedging” mechanism.

Mutual Funds pool the money of its investors and invest it in a variety of stocks, bonds or other types of securities to meet the stated objective of the fund. Each mutual fund will then be assigned by DHSF into one of the asset classes identified above and the mutual funds that best meet DHSF's proprietary criteria for inclusion in our Asset Management Programs will be selected. Actual investment return and principal value of most *mutual fund* investments are subject to market risk and will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Using a risk appropriate diversified portfolio, DHSF uses two approaches to further manage your

money in its advisory services: a Strategic approach and a Tactical approach. Both approaches are best suited for a long term objective to investing.

- **Strategic:** A strategy that sets specific asset class allocations and then periodically rebalances the managed portfolio to maintain the original asset class allocation. There is typically no change in the asset classes used in these portfolios.
- **Tactical:** A strategy that takes a more active trading approach to investing that makes tactical market trades in your portfolio to take advantage of potential market opportunities. This could mean a complete replacement of a poor performing asset class to a good performing asset class or allocating more of the portfolio into what appear to be underpriced securities.

For further information regarding the risks associated and the investment strategies for your account(s), please review the risk level of the Asset Management portfolio and your fund prospectus(es) or consult with your Advisory Representative.

Item 9: Disciplinary Information

DHS Financial Strategies has never received and Regulatory Administrative Orders, Criminal or Civil Charges, or State / Federal Administrative Proceedings.

For further information regarding DHSF's disciplinary events you may go to www.adviserinfo.sec.gov

Item 10: Other Financial Industry Activities and Affiliations

Health Care / Employee Benefits Consulting

DHSF performs services as an employee benefits consultant. However, DHSF receives **no** compensation from the sale of insurance. DHSF maintains serves as a service provider and consultant to institutional clients navigating health care law, compliance requirements, and third party administration activities. This may present a conflict of interest. However, DHSF believes that this other compensation is significantly unrelated to most individual's personal financial situations as to be able to free form conflicts of interest. Please refer to the "Other Compensation to DHSF and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding DHSF's conflicts of interests as an insurance agency and how we address these conflicts.

Advisory Representatives Other Business Activities and Affiliations

DHSF's Advisory Representatives are independent contractors, many of whom may hold themselves out to the public under a name other than DHS Financial Strategies Investment and offer other financial services independent of DHSF, such as, life, health, disability, long term care and fixed annuity insurance products, real estate and retirement plan administration services. A few of our Advisory Representatives may also be qualified lawyers and accountants or hold certain professional designations not required by us to conduct their business. These services are offered independent of DHSF and DHSF assumes no responsibility or supervision over these activities. You may go to www.adviserinfo.sec.gov for further information regarding your Advisory Representatives' other business activities or affiliations.

Independent Registered Investment Advisors

DHSF permits certain Advisory Representatives to maintain their own independent registered investment advisors which may offer advisory services similar, yet independent of, DHSF. DHSF

assumes no responsibility for these advisory programs and conducts limited due diligence and supervision of the programs offered by these associates. An Advisory Representative who has his or her own independent investment adviser has a fiduciary responsibility to recommend to you the most suitable advisory program regardless of whether it is offered through their investment adviser or DHSF's investment adviser.

Independent registered investment advisors must provide to their clients their own Form ADV2A (or similar disclosure brochure) and all required advisory agreements and disclosures. To inquire as to whether your Advisory Representative has a separate registered investment adviser, you may go to www.adviserinfo.sec.gov

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

Code of Ethics

As a fiduciary, DHSF has established a Code of Ethics under which all DHSF employees and Advisory Representatives must comply. DHSF accepts its fiduciary responsibility to (1) place the interests of clients first at all times, (2) act with the utmost good faith and provide full and fair disclosure of all material facts and conflicts of interest to clients, and (3) conduct all personal securities transactions consistent with DHSF's Code of Ethics.

DHSF's Advisory Representatives are held to a professional standard that requires they avoid any abuse of an individual's position of trust and responsibility, not take inappropriate advantage of their positions; comply with applicable securities laws and regulations; and maintain confidentiality of client's financial circumstances.

You may request a full copy of DHSF's Code of Ethics from your Advisory Representative or DHSF's Compliance Department at (267)-948-7290.

Participation or Interest in Client Accounts and Personal Trading

For all portfolios that DHSF or its Advisory Representative has discretionary authority, the Advisory Representative and his or her employees must give priority to client securities purchases and sales over their own personal transactions in the same security, when placing an order.

This means that any transaction by the Advisory Representative or his/her employee must be placed either simultaneously with your transaction (i.e. through a block trade) or after all client trades are placed on the same trading day. While the latter will not guarantee that you will receive the best price, it does establish that the client trades will occur at the same time as or before that of the Advisory Representative or his/her employees. At no time may an Advisory Representative participate in the profits or losses of an investor's account. Personal trading accounts of Advisory Representatives are reviewed by DHSF to ensure compliance.

Item 12: Brokerage Practices

The advisory services offered by DHSF specify one or more custodians or clearing firms where the assets must reside in order for the advisory services to be engaged. For many of these services, this allows DHSF the capability to have ongoing access to the assets for trading and viewing purposes. In order to be considered as a custodian for purposes of carrying and executing transactions, DHSF will review the reasonableness of the firm's execution reports, fees and transaction costs. The value of products, research and services offered by broker-dealers/custodians to DHSF is not a factor in

determining the advisory fee charged to a client.

As DHSF is directing your account and your transactions to our broker dealer or another broker dealer, you may not receive the most favorable execution price on your transactions, which may cost you more money. Not all investment advisors require the use of a specific broker- dealer/custodian. DHSF attempts to balance service capabilities with transaction costs. DHSF will only utilize broker dealers that are registered in the state you reside in.

Please consult with your Advisory Representative regarding which broker-dealer/custodians may be required for the advisory service(s) you wish to select or invest. Brokerage or custodial account fees and/or transaction charges, if any, are disclosed to you at the time your account is established. DHSF does not receive compensation from any broker-dealer/custodian for client referrals.

How to get a Reduced Advisory Fee

If you have assets in more than one Asset Management Program with DHSF, you may qualify for a lower Asset Management Program Fee. DHSF will automatically calculate all eligible advisory fee discounts, as described below, and will assess you the lowest Advisory Fee from among these methods.

1. **Recommended Breakpoint:** This discount method is the incremental reduction in the advisory fee that is applied to accounts with asset values greater than \$200,000. These fee breakpoints can be found on the Fee Tables under Item 5, Fees and Compensation, and are between you and your Advisor Representative to finalize.
2. **Account Related Group (ARG) Discount:** This discount method combines all related clients within the *same* Asset Management Program. A related client includes spouse and children, regardless of age or residence, and certain business accounts. In order to be eligible for this discount, related accounts must be identified on your application / advisory agreement and be invested in the *same* Asset Management Program.

Item 13: Review of Accounts

Account Review Policies and Procedures

Your Advisory Representative is responsible to ensure that the recommended advisory service is suitable for you. Many of our programs are managed to meet different levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation and potential loss of investment, is an important part of your decision. Annual reviews should be held by you with your Advisory Representative to ensure that the advisory program continues to meet your needs and goals.

Matthew Tae will review all financial plans prepared for a fee and will also review a transaction report on a daily basis of the previous day's advisory business. This is to provide an oversight of the planning and trading activities occurring in your account. If you have any questions about the trading or recommendations in your account, please call your Advisory Representative or Matthew Tae.

Written Reports

At minimum, you will receive a quarterly account statement (retirement plan accounts) or monthly account statement (non-retirement accounts) from the custodian who carries your account. This statement will reflect all transactions that have occurred in your account as well as identify any fees, including the advisory fee, deducted from your account. Some advisory services may provide you supplemental advisory reports which will include performance reports, aggregated account reviews, or a portfolio snapshot. Some reports are made available to you electronically while others may be

available to you only on a quarterly basis. We urge you to compare these supplemental reports to the account statements you receive. If you find any discrepancies, please contact your Advisory Representative or DHSF.

Item 14: Client Referrals and Other Compensation

On occasion, DHSF permits an Advisory Representative to compensate an outside party (for example, an attorney or an accountant) for client referrals to one of our advisory services. The outside party must execute a Solicitor Agreement with DHSF, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor as outlined in our Solicitor Agreement which will be provided to you.

Item 15: Custody

DHSF does *not* custody any client funds.

You may have your advisory assets held at a qualified custodian other than DHSF. You should receive, at minimum, a quarterly statement from the qualified custodian(s) of your advisory assets. We urge you to carefully review these statements and compare them to any reports provided to you by DHSF or your Advisory Representative. The information in these reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your Advisory Representative or DHSF regarding any statement discrepancies.

Item 16: Investment Discretion

Depending on the advisory service chosen, DHSF and its Advisory Representatives, or an independent Asset Manager may have discretionary authority to determine which securities shall be bought and sold, and the total amount to be bought or sold in your advisory account(s). This authorization does not grant DHSF or its Advisory Representatives the right to withdraw any funds or securities from your advisory account(s), except as specifically authorized in your advisory agreement for the deduction of Advisory Fees. Your advisory agreement or account application will identify if you are giving discretionary trading authorization for your advisory account(s) to DHSF or your Advisory Representative.

Item 17: Voting Client Securities

DHSF and its Advisory Representatives may not accept authority to vote clients proxies for any securities in an advisory or non-advisory service.

Item 18: Financial Information

DHSF will maintain discretion if you so authorize it. However, DHSF will never maintain custody of your funds. DHSF will not solicit prepayment of more than \$500 in fees. DHSF will not solicit for services that cannot be started within the next six months from time of solicitation.

This firm does not have any financial conditions that is reasonably likely to impair its ability to meet contractual commitments to clients. This firm has not been the subject of a bankruptcy petition at any time.

Item 19: Requirements for State Registered Advisors

Please refer to ADV Part 2B, Brochure Supplement.

Performance Based Fees: DHSF may, only upon request from the client, may engage in performance based fees. DHSF will be awarded 10% of any investment gains realized by the client within DHSF advisory accounts. Fees will not be collected until the gains are realized. Performance based compensation may create an incentive for an advisor to recommend an investment that may carry a higher degree of risk to the client.

Disclosure of Legal Actions Taken Against DHS Financial Strategies: DHSF has not been found liable in any arbitration claims, civil actions, administrative proceedings, or self-regulatory organization actions.

Disclosure of Relationships Between Securities Issuers and DHS Financial Strategies: DHSF has no relationships with securities issuers.