

PACRIM ADVISORY SERVICES
FIRM BROCHURE
(ADV PART 2A)

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This brochure provides information about the qualifications and business practices of PACRIM Advisory Services. If you have any questions about the contents of this brochure, please contact John Yang at (415) 726-1140 or *John_yang@sbcglobal.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.

PACRIM Advisory Services is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about PACRIM Advisory Services is available on the SEC's website www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Adviser is 164906.

2. MATERIAL CHANGES

This ADV Part 2A is PACRIM Advisory Service's initial firm brochure. Therefore, it has no material changes to report.

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4. ADVISORY BUSINESS

A. OWNERSHIP/ADVISORY HISTORY

John Yang DBA as PACRIM Advisory Services (“PACRIM”) was formed in California in July 2012. Mr. John Yang is the owner and sole proprietor of the firm. Additional information about Mr. John Yang can be found under Item 19 and in his ADV Part 2B – Supplemental Brochure.

Conflicts of Interest Disclosure

Pursuant to California Code of Regulations Section 260.238(k), in this Part 2, PACRIM, its representatives and employees have disclosed all material conflicts of interests that could reasonably be expected to impair the rendering of unbiased and objective advice.

B. ADVISORY SERVICES OFFERED

Before PACRIM enters into an Adviser-Client relationship, PACRIM may offer a complimentary general consultation to discuss services available, give a prospective client time to review services desired, and determine whether a relationship might benefit the client. Investment advisory services begin only after PACRIM and the client formalize the relationship with a properly executed agreement. PACRIM offers the following services to its clients:

i. INVESTMENT MANAGEMENT SERVICES

PACRIM provide clients with a financial plan and portfolio management services for one fee. Prior to the Adviser-Client relationship, PACRIM may offer a complimentary general consultation to discuss services available, to give a prospective client time to review services desired, and to determine the possibility of a potential relationship. Investment advisory services begin only after PACRIM formalize the relationship with the client by properly executing client Agreement.

At the beginning of the relationship PACRIM will hold multiple meetings (in person if possible, otherwise via telephone conference) with the client to collect pertinent data, identify goals, objectives, financial concerns and potential solutions. These meetings help PACRIM in creating a written financial plan for the client. The financial plan typically focuses on one or more specific areas such as financial and cash management, risk management, financial issues relating to divorce or death of a family member, insurance planning, estate planning, tax issues, retirement planning, educational funding, goal setting, wealth management, business exit strategies, or other needs identified by the client or by the review of the client’s financial circumstances. At the conclusion of the meetings, PACRIM will present the client with a written analysis and it will make recommendations regarding implementation of the financial strategies discussed. These recommendations will include PACRIM’s Wealth management services.

PACRIM’s Wealth Management services are designed to assist clients in meeting their financial goals through the use of financial investments. Based on what PACRIM learned while creating the financial plan, it proposes an investment approach to the client. PACRIM may propose an

investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, PACRIM works with the client to establish or transfer investment accounts so that it can manage the client's portfolio. Once the relevant accounts are under management, PACRIM reviews such accounts on a regular basis. PACRIM may periodically rebalance or adjust client accounts under its management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify PACRIM so that it can consider such information in managing the client's investments.

Conflicts of Interest Disclosure

Please note that a conflict of interest exists between the Firm, the investment adviser, and you, the client. You are under no obligation to act on the Firm's financial planning recommendations. Should you choose to act on any of the Firm's recommendations, you are not obligated to implement the financial plan through any of Firm's other investment advisory services. Moreover, you may act on the Firm's recommendations by placing securities transactions with any brokerage firm.

ii. QUALIFIED PLAN SERVICES

For business clients, the firm offers qualified plan consulting services. The firm offers a variety of services to the qualified plan's trustee. These services include:

Quarterly enrollment meetings. Schedule meetings with would-be participants one quarter in advance to answer questions, introduce online tools, set up documents.

Investment policy statements. Provide guidance for Retirement Committee with drafting and development of Investment Policy Statement.

Due diligence. Independent due diligence with respect to the selection and ongoing monitoring of investment managers and fiduciaries.

Fiduciary monitoring. An outside trustee must be monitored to ensure that it remains a prudent choice. Investment selections of the plan must be regularly monitored against criteria in the IPS.

Board of Directors meetings. Meet with members of the board to review fund choices, performance, fiduciary monitoring at least once per year and ensure that reviews are documented in the corporate minutes.

Quarterly proactive service calls. In many cases, when and if quarterly enrollment meetings are cancelled due to lack of new employees to enroll, no questions from employees, no service issues to resolve Retirement Committee Chairperson will receive a service call.

Investment guidance for participants.

- Asset allocation models and risk tolerance worksheets.
- Personal, one-on-one asset allocation advice.

- Personal financial planning.
- Online tools.
- Voice Response System.

Optional bilingual financial seminars and workshops. Packaged seminars/workshops covering a wide variety of topics, including insurance planning, investments, retirement planning, and addressing fiduciary risks and responsibilities (for Retirement Committee Members and Board of Directors).

Newsletters. Bilingual newsletters pertaining to market and/or plan changes furnished on an optional basis.

The annual survey. Survey conducted on an annual basis to gauge participant satisfaction.

iii. RECOMMENDATION OF THIRD PARTY ADVISORS

After an initial meeting with the client or when deemed appropriate, PACRIM may recommend the services of a third party investment adviser (“Third Party Adviser”). The recommendation will depend on the client’s circumstances, goals and objectives, strategy desired, account size, risk tolerance, or other factors. PACRIM works with each client to determine which Third Party Adviser may be appropriate. Clients are never obligated to use a recommended Third Party

PACRIM will review Third Party Advisers prior to making a recommendation to the client. PACRIM considers the following factors during its review: fees, reputation, performance, financial strength, management, price, reporting capabilities, client’s financial situation, client’s goals, client’s needs, and client’s investment objectives. After PACRIM’s review it will present the client with one or more recommendations.

If the client wishes to proceed with the recommendation, PACRIM will enter into either a Co-Advisor relationship or solicitor arrangement with the recommended Third Party Adviser. Under these arrangements, the Third Party Adviser is responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. While PACRIM maintains its relationship with the client by monitoring the status of the client’s accounts with the Third Party Adviser, make recommendations about the Third Party Adviser, usually meeting with the client either in person or by telephone on an annual basis annually and acting as the client’s primary financial adviser. All questions regarding the Third Party Adviser’s services and performance will be directed to PACRIM.

Because the compensation PACRIM receives under these arrangements may differ depending on the agreement with each third-party adviser, it may have an incentive to recommend one Third Party Adviser over another if the compensation arrangements are more favorable. Also, because the Third Party Adviser may pay PACRIM a portion of their fee, the fee paid is not negotiable, under most circumstances.

Clients who are referred to Third Party Advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant Third Party Adviser’s

Form ADV Part 2A or equivalent disclosure document before receiving investment advisory services from the third-party adviser.

In addition, if the investment program recommended to a client is a wrap fee program the client will receive the Appendix 1 or equivalent wrap fee brochure provided by the sponsor of the program.

PACRIM will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees paid to PACRIM and its advisory associates.

PACRIM will not refer a client to a Third Party Adviser unless it is registered or exempt from registration as an investment adviser in the client's state of residence.

C. TAILORED SERVICES

PACRIM's services are individualized to each client. However, PACRIM generally does not allow clients to place restrictions on the types of securities held in their accounts.

D. WRAP PROGRAM

PACRIM does not sponsor a wrap program. This section is not applicable.

E. CLIENT ASSETS MANAGED

As of July 23, 2012, PACRIM does not have any client assets under management.

5. FEES AND COMPENSATION

A. INVESTMENT MANAGEMENT SERVICES

PACRIM's investment management services' fee is based upon a percentage of assets under management. The annual fee is negotiable based on the following fee schedule.

<u>Account Balance</u>	<u>Annual Fee</u>
\$0 to \$250,000	1.00%
\$250,001 to \$550,000	.75%
\$550,001 to \$1,000,000	.70%
\$1,000,001 to \$2,500,000	.65%
\$2,500,001 to \$4,500,000	.55%
\$4,500,001 to \$7,000,000	.45%
\$7,000,001 to \$10,000,000	.20%
\$10,000,001 and above	.15%

The fee will be calculated and collected quarterly in advance. The first quarter's management fee is calculated on the Account's initial value as reported by its custodian. Thereafter, the management fee will be calculated on the Account's previous quarter-end value as reported by the account's custodian. The management fee is tiered. A tiered fee means the applicable rate will be applied to the fair market value in each applicable range of account value.

Comparable Services Disclosure

Clients should note that lower fees for comparable services may be available from other sources.

PACRIM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the firm's fee and PACRIM will not receive any portion of these commissions, fees, and costs.

Termination of Investment Management Services

A client may terminate the investment management services for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice. To cancel the agreement, the client must notify firm in writing at to PACRIM Advisory Services, 2438 Fillmore Street, #1, San Francisco, CA 94115 and return any materials received to that date. Because PACRIM charges in advance, any client that terminates their contract during a quarter will receive a prorated refund of any unearned fees based upon the amount of time elapsed during the termination quarter.

B. QUALIFIED PLAN SERVICES

PACRIM and the client shall negotiate a percentage of assets under management fee. Asset-based fees computed on an annual charge on the total assets of the plan will be billed and paid quarterly in advance. The asset-based fees are based on the following schedule:

<u>Account Balance</u>	<u>Annual Fee</u>
\$0 to \$500,000	.60%
\$500,001 to \$750,000	.55%
\$750,001 to \$1,000,000	.50%
\$1,000,001 to \$2,500,000	.45%
\$2,500,001 to \$4,500,000	.40%
\$4,500,001 to \$7,000,000	.35%
\$7,000,001 to \$10,000,000	.10%
\$10,000,001 and above	.08%

The fee will be calculated and collected quarterly in advance. The first quarter's management fee is calculated on the Account's initial value as reported by its custodian. Thereafter, the management fee will be calculated on the Account's previous quarter-end value as reported by the account's custodian. The management fee is tiered. A tiered fee means the applicable rate

will be applied to the fair market value in each applicable range of account value.

PACRIM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the firm's fee and PACRIM will not receive any portion of these commissions, fees, and costs.

Termination of Qualified Plan Consulting Services

A client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the client's contract may be terminated with 30 days written notice. Because PACRIM charges in advance, any client that terminates their contract during a quarter will receive a prorated refund of any unearned fees based upon the amount of time elapsed during the termination quarter.

C. RECOMMENDATION AND MONITORING OF THIRD PARTY ADVISORS

As stated in Item 4.B.iii. (See Above), PACRIM will either be a Co-Adviser or solicitor of the recommended Third Party Adviser. The fees associated with each service are as follows:

Co-Adviser Relationship

When PACRIM is a Co-Adviser, it will charge a fee based upon an annual percentage of the assets under management as reported by the Third Party Adviser. The annual fee is negotiable between 1.3% and 2.50%. The client will be asked to authorize the Third Party Adviser with the ability to withdraw PACRIM's fee. When the fee is collected (quarterly or monthly, in advance or in arrears) will vary with each Third Party Adviser. These details will be disclosed in the Third Party Adviser's ADV Part 2A that is given to the client upon solicitation.

Solicitor Relationship

When PACRIM is a solicitor of the recommended Third Party Adviser its does not charge a separate fee for the Recommendation and Monitoring of Third Party Investment Adviser Services. Instead, PACRIM will enter into an agreement with the selected Third Party Adviser and share in a portion of the Third Party Adviser's management fee that is charged to the client. PACRIM's portion of the fee typically ranges from .50% to 2.00%. The exact fee withdrawn and when it is withdrawn (quarterly or monthly, in advance or in arrears) will vary with each Third Party Adviser. These details will be disclosed in the Third Party Adviser's ADV Part 2A and the Third Party Adviser's Solicitor Disclosure Document; both documents will be given to the client upon solicitation.

As established in Item 10.D – Other Industry Affiliations, by receiving a portion of the Third party Advisor’s management fee, this creates a conflict of interest for the Adviser. The sharing of the management fees creates a financial incentive to recommend Third Party Advisers that would pay PACRIM a higher percentage of their fee. PACRIM attempts to mitigate the conflict of interest to best of its ability by placing the client’s interest a head of its own, through its fiduciary duty and by following the firm’s Code of Ethics that establishes ideals for ethical conduct.

TERMINATION OF RECOMMENDATION AND MONITORING OF THIRD PARTY ADVISER SERVICES

The termination of the Recommendation and Monitoring of Third Party Adviser Services will be controlled by the terms and conditions of the Third Party Adviser’s ADV Part 2A. The client will need to review the Third Party Adviser’s ADV Part 2A – Item 5 – Fees and Compensation. The client may also contact the Third Party Adviser directly at the address located on its Form ADV Part 2A, Third Party Adviser Agreement or Solicitor Disclosure Document. The Third Party Adviser Agreement also controls whether the client will receive a refund of any pre-paid fees.

D. OTHER SECURITIES COMPENSATION

PACRIM does not receive any other compensation for the sale of securities or other investment products.

6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

PACRIM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

7. TYPES OF CLIENTS

PACRIM offers its services to individual, high net-worth individuals, pension and profit sharing plans, corporations and other business entities. PACRIM requires a minimum account size of \$25,000. However, PACRIM reserves the right to waive this requirement at its sole discretion.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

PACRIM uses an individualized asset allocation method for each client. When deciding on the asset allocation for a client, PACRIM takes into account the client’s risk tolerance, goals, investment objectives and other data gathered during the client meetings. Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon among various asset classes. The asset classes typically include equities, fixed-income, and cash and equivalents. Each class has different levels of risk and return, so each will behave differently over time.

PACRIM also uses the modern portfolio theory in developing client portfolios. Modern Portfolio Theory proposes that investing in a predetermined asset mix derived from the efficient frontier (dictated to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments positive returns are not guaranteed. In conjunction to investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client's investment policy statement and/or other documents. These parameters can include - but are not limited to - tax efficiency, concentrated stock positions and management history.

PACRIM's analysis of securities and advice relating thereto may be based upon information obtained from financial newspapers and magazines, research materials prepared by others, corporate ratings services, and annual reports, prospectuses and filings made with the Securities and Exchange Commission. PACRIM may also utilize computer models for performance analysis, asset allocation and risk management.

B. RECOMMENDED SECURITIES AND INVESTMENT RISKS

PACRIM may recommend one or more of several types of securities to be part of a client's financial plan. These securities may include, but are not limited to, the following: Real Estate Investment Trusts; Bonds and other corporate debt instruments; Exchange Traded Funds; Mutual Funds such as Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, Small Cap Growth, and Small Cap Value; Government Debt instruments including Treasury Bills and Municipal securities; Stocks; Preferred Stock; High Yield Debt; Domestic Fixed Income; Money Market Funds and Cash.

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While PACRIM uses investment strategies that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. A clients needs to ask questions about risks he/she does not understand, PACRIM would be pleased to discuss them.

PACRIM strives to render its best judgment on behalf of its clients. Still, PACRIM cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. PACRIM continuously strives to provide outstanding long-term investment performance, but many economic and market variables beyond its control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. A client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Tax status risk:** REITS must be organized and operated, and intend to continue to be organized and to operate, in a manner that will enable them to qualify as a REIT for federal income tax purposes. No assurance can be given that a REIT qualifies or will continue to qualify as a REIT. If a REIT fails to qualify, it will be subject to federal income tax at regular corporate rates. Therefore, if a REIT fails to qualify, the funds available for distribution to stockholders would be reduced substantially for each of the years involved.
- **Liquidity risk:** One common risk associated with private placements and REITs is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns is often not realized until maturity. Because of this, these products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.
- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of your investment and/or the future purchasing power of your assets.
- **Portfolio Concentration:** Accounts not diversified among a wide range of types of securities, countries or industry sectors may have more volatility and are considered to

have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if client maintained a more diversified portfolio.

9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to your evaluation of the Adviser or the integrity of its management. PACRIM does not have any information applicable to this Item because it and its owner has never been the subject of any administrative, civil, criminal or self-regulatory proceedings.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. BROKER-DEALER AFFILIATIONS

PACRIM is not affiliated with a broker-dealer.

B. FUTURES/COMMODITIES FIRM AFFILIATION

PACRIM is not affiliated with a futures or commodities broker.

C. OTHER INDUSTRY AFFILIATIONS

PACRIM's owner, Mr. Yang, is an independent life insurance agent and he may recommend these services to clients. This is a conflict of interest because the commission gives Mr. Yang a financial incentive to recommend and sell clients the insurance products. It is important to note that the insurance commissions are separate from the fees outlined above in Item 5. However, Mr. Yang attempts to mitigate any conflicts of interest to the best of his ability by placing the client's interests ahead of his own, through her fiduciary duty and by informing clients that they are never obligated to purchase insurance through him.

D. SELECTION AND MONITORING OF THIRD PARTY INVESTMENT ADVISERS

PACRIM's services include the Recommending and Monitoring of Third Party Advisers. A detailed description of this service can be found under Item 4.C – Advisory Services and Item 5.C – Fees and Compensation. Because PACRIM receives a portion of the Third party Adviser's management fee, this creates a financial incentive to recommend Third Party Advisers that pay a higher percentage of the fee. PACRIM attempts to mitigate the conflict of interest to best of its ability by placing the client's interest ahead of its own, through its fiduciary duty and by following the its Code of Ethics that establishes ideals for ethical conduct.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. DESCRIPTION

PACRIM's Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. PACRIM will provide a copy of its Code of Ethics to any client or prospective client upon request.

PACRIM's Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

B. MATERIAL INTEREST IN SECURITIES

PACRIM does not have a material interest in any securities. Additionally, it is PACRIM's policy that it will not affect any principal or agency cross securities transactions for client accounts. Also PACRIM will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES

In an effort to avoid any conflicts of interest, it is PACRIM's policy to not allow its owner or employees to invest in the same securities that are recommended to clients. PACRIM's owner and employees may invest in mutual funds, but not individual securities used in client portfolios. PACRIM is aware of its fiduciary duty to its clients and the prohibitions against the use of any insider information. PACRIM keeps records of all associates' proprietary trading activities and make them available to regulators to review on the premises.

12. BROKERAGE PRACTICES

A. RECOMMENDED BROKERAGE

When PACRIM recommends custodians, it will seek broker-dealers who offer competitive commission costs together with reliable services. A client's choice of another broker-dealer is acceptable if proven feasible. PACRIM recognizes its fiduciary responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of its clients. PACRIM does not receive compensation with respect to execution of trades. In some instances, a client will incur a ticket charge for the sale and purchase of securities.

NOTE: Clients may be able to obtain lower commissions and fees from other brokers, and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions.

i. RESEARCH AND SOFT DOLLARS BENEFITS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. PACRIM does not receive "soft dollars" from any vendor, service provider or custodian.

ii. BROKERAGE FOR CLIENT REFERRALS

PACRIM does not receive client referrals or any other incentive from any custodian or any third party.

iii. DIRECTED BROKERAGE

Some clients may direct PACRIM to a specific broker-dealer to execute securities transactions for their accounts. When so directed, PACRIM may not be able to effectively negotiate lower brokerage commissions or achieve best execution on clients' transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the clients' account because the firm cannot negotiate favorable prices.

B. TRADE AGGREGATION

PACRIM does not aggregate or block trade client's accounts. This section is not applicable.

13. REVIEW OF ACCOUNTS

A. PERIODIC REVIEWS

PACRIM's owner, Mr. Yang, reviews all client accounts on a monthly basis. He also meets (either in person or by telephone) with clients to discuss their accounts on a quarterly basis.

B. OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

C. REPORTS

Clients receive at least quarterly statements from their custodian. PACRIM urges clients to carefully review such statements.

14. CLIENT REFERRALS AND OTHER COMPENSATION

A. OTHER COMPENSATION

PACRIM does not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

B. CLIENT REFERRALS

PACRIM does not pay for client referrals or use solicitors.

15. CUSTODY

All client funds, securities and accounts are held at third-party custodians. PACRIM does not take possession of a client's securities. However, the client will be asked to authorize PACRIM with the ability to deduct fees directly from the client's account. This authorization will be to deduct PACRIM's management fee only. PACRIM will send a billing statement (invoice) to the client and the client's custodian that indicates the fee to be withdrawn and how it was calculated from the account. A client may object to the deduction of PACRIM's fees from the Account by notifying it at the address or telephone number shown on each billing invoice or by notifying client's custodian. The client's custodian shall also send a quarterly statement indicating the amount of fees withdrawn from the client's Account. PACRIM urges clients to carefully review such statements.

16. INVESTMENT DISCRETION

PACRIM offers non-discretionary investment management services. With non-discretionary investment management services, the client retains full discretion to supervise, manage, and direct the assets of the account. PACRIM will make recommendations on how the Account should be managed. However, PACRIM will have to receive the client's permission prior to placing any trades. Still, the client will be free to manage the account with or without the firm's recommendation and all with or without the firm's prior consultation.

17. VOTING CLIENT SECURITIES

PACRIM will not be responsible for responding to proxies of securities held in clients' accounts. Proxy solicitation materials will be forwarded to clients for response and voting. In the event a client has a question about a proxy solicitation, the client should contact Mr. Yang.

18. FINANCIAL INFORMATION

A. BALANCE SHEET

PACRIM does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, PACRIM does not have to provide a balance sheet.

B. FINANCIAL CONDITION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about PACRIM's financial condition. PACRIM has no financial commitment that impairs its ability to service its clients.

C. BANKRUPTCY

PACRIM has not been the subject of a bankruptcy proceeding.

19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

A. EXECUTIVE OFFICERS AND MANAGEMENT

John Yang – President

Education:

University of California at Berkeley – B.A. Communications and Public Policy – 1975

Princeton University – Masters in Public Affairs - 1977

Certified Investment Management Analyst[®] (CIMA[®])

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, pass an online Certification Examination, and have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements. CIMA designees are required to adhere to IMCA's *Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks*. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

The CIMA certification has earned ANSI[®] (American National Standards Institute) accreditation under the personnel certification program. The American National Standards Institute, or ANSI, is a private non-profit organization that facilitates standardization and conformity assessment activities in the United States. CIMA is the first financial services credential to meet this international standard for personnel certification.

Accredited Investment Fiduciary Analyst™ (AIFA®)

The AIFA designation certifies that the recipient has advanced knowledge of fiduciary standards of care, their application to the investment management process, and procedures for assessing conformance by third parties to fiduciary standards. To be eligible to receive the AIFA designation, individuals must have already completed the AIF training program and passed the AIF exam and meet a minimum prerequisite score based on the candidate's educational background and professional training and experience in investing, financial services and auditing. To receive the AIFA designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIFA Code of Ethics. In order to maintain the AIFA designation, the individual must annually renew their affirmation of the AIFA Code of Ethics and complete ten hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

Business Background:

PACRIM Advisory Services – July 2012 – Present
– Owner

PRIMEVEST Financial Services – August 2011 – August 2012
– Registered Representative

Chinatrust Bank USA – July 2011 – August 2012
– Registered Representative

East West Bank – February 2010 - June 2011
– Registered Representative

UVEST Financial Services Group, Inc. – February 2009 – June 2011
– Registered Representative

UCB Investment Services, Inc. – June 2008 – February 2010
- Registered Representative

Royal Alliance Associates, Inc. – December 2007 – June 2008
- Registered Representative

PACRIM Benefits Management Inc./Judy Chang & Assoc. – August 1987 – June 2008
- Insurance Agent

WHJR Associates, Inc. – August 2000 – June 2008
- Investment Advisory Representative

Eplanning Securities, Inc. – February 2007 – November 2007

- Registered Representative

Royal Alliance Associates, Inc. – August 1997 – February 2007

- Registered Representative

IAC Securities, Inc. – March 1999 – July 2000

- Registered Representative

John Hancock Financial, Inc. – December 1993 – June 1997

- Investment Advisory Representative

SMA Equities, Inc. – January 1988 – September 1992

- Investment Advisory Representative

PAINE WEBBER, JACKSON & CURITS, Inc. – October 1981 – December 1984

- Registered Representative

B. OTHER BUSINESS ACTIVITY

As disclosed in Item 10.C, above, Mr. Yang is an independent insurance agent. He spends approximately 5 to 10 hours a week on this activity.

C. PERFORMANCE BASED COMPENSATION

Mr. Yang does not receive performance based fees or any other additional compensation or incentives for providing investment advice.

D. MANAGEMENT PERSON'S ARBITRATION AND DISCIPLINARY HISTORY

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events of its management person that would be material to your evaluation of each management person providing investment advice.

E. ADDITIONAL RELATIONSHIPS WITH ISSUERS OF SECURITIES

Registered investment advisers are required to disclose all material facts regarding any relationship with an issuer of securities.