



**Part 2A of Form ADV: Appendix 1  
Wrap Fee Program Brochure**

**Zhang Financial LLC**  
*doing business as Zhang Financial*

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This wrap fee brochure provides information about the qualifications and business practices of Zhang Financial LLC (“Zhang Financial”, the “Firm”, “we”, “us”, or “our”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Christopher Reiff, at (269) 385-5888 or by email at [christopher.reiff@zhangfinancial.com](mailto:christopher.reiff@zhangfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training. Additional information about the Firm also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The Firm’s CRD number is #159257.

Please note that the use of the term “registered investment adviser” and description of Zhang Financial and/or its associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Wrap Fee Program Brochure, the Firm Brochure, the Form CRS, and the Brochure Supplements for the Firm’s associates who advise you for more information on the qualifications of the Firm and its employees.

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## **Item 2 – Material Changes**

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This Form ADV Part 2A: Appendix 1 Wrap Fee Program Brochure has been updated as part of our annual amendment filing. There have been no material changes since our last version dated August 20, 2025. Please note that we updated our disclosures to reflect a change in the Firm's Chief Compliance Officer. Christopher Reiff is our new Chief Compliance Officer, replacing Lynn Chen-Zhang in this capacity. Other non-substantive changes have been made, and we urge clients to read this Form ADV Part 2A in its entirety.

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## Item 4 – Services, Fees, and Compensation

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### **Firm Description**

Zhang Financial LLC (“Zhang Financial,” the “Firm”, “we”, “us”, or “our”) is a fee-only investment advisory firm. We provide individuals and other types of clients with investment management, financial planning, and other services. The Firm is a limited liability company formed in the State of Michigan and has been registered with the United States Securities and Exchange Commission (“SEC”) since January 2012. Charles C. Zhang, the Firm’s Founder and President, is the majority owner of the Firm.

This Wrap Fee Program Brochure, describes and discloses the services, fees, potential conflicts of interest, and other necessary information clients should consider prior to becoming a wrap fee client of the Firm. For a complete description of other services and fee arrangements offered by the Firm, clients should refer to our Form ADV Part 2 (“Firm Brochure”). You can obtain the Firm Brochure by contacting our Chief Compliance Officer, Christopher Reiff, at (269) 385-5888 or [christopher.reiff@zhangfinancial.com](mailto:christopher.reiff@zhangfinancial.com). The Firm Brochure is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The Firm’s CRD number is #159257.

### **Investment Advisory Services**

#### **Asset Management**

Our asset management services are generally offered through our wrap fee programs, as defined under Rule 204-3(g)(4) of the Investment Advisers Act of 1940. Clients’ assets are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, and other determining factors. As part of our asset management services, we construct and manage investment portfolios that may consist of, but are not limited to, individual stocks, bonds, exchange-traded funds (“ETFs”), mutual funds, money market funds, stock options, and other publicly traded securities. Each client’s investment strategy is tailored to their individual financial circumstances, investment objectives, time horizon, and risk tolerance. Portfolios may include some or all of the previously mentioned securities and are constructed to align with the client’s stated investment objectives and goals. We regularly monitor client portfolios and make appropriate adjustments based on changes in market conditions, investment opportunities, and the client’s financial circumstances. Our ability to effectively manage a client’s portfolio depends in part on the client providing complete and accurate information regarding their financial circumstances and promptly notifying us of any material changes.

We have discretion over accounts that participate in our wrap fee program. Prior to assuming discretionary authority, clients must execute a written investment advisory agreement that grants us the authority to determine, without obtaining the clients’ specific consent for each transaction, the securities to be bought or sold, the amount of securities to be traded, and the broker-dealer to be used. Clients can set forth any restrictions on the discretionary authority granted to us subject to our acceptance. This type of agreement only applies to our asset management clients.

We manage select client accounts in our wrap program using internally developed models designed to meet various investment objectives and risk profiles. Models consists of various factors such as allocations of investments that we believe are appropriate for a particular strategy.

### **Wrap Fee Arrangement**

In a wrap fee arrangement, clients pay a single bundled fee based on the market value of assets in the account, which includes both our investment management fee and the transaction costs for the purchase and sale of securities. As part of the wrap fee arrangement, Zhang Financial agrees to pay all trading costs associated with the transactions in these accounts. Currently, nearly all our discretionary accounts are managed under a wrap fee arrangement. The advisory fee is not based directly on the number of transactions in a client's account. Because transaction costs are bundled into the wrap fee, the overall fee paid by a client participating in wrap fee programs may be higher or lower than the cost of purchasing advisory services separately and paying brokerage commissions on a per-transaction basis.

### **Fee Schedule and Billing**

Our annual fees for wrap fee programs are negotiated with each client and are generally based on a flat percentage of the market value of assets under management. While the specific fee is finalized at the inception of the relationship, we utilize the following schedule as a guideline for our negotiations:

<b><u>Market Value of Account(s)</u></b>	<b><u>Guideline Annual Flat Fee %</u></b>
\$1,000,000 - \$2,500,000	1.00%
\$2,500,000 - \$5,000,000	0.90%
\$5,000,000 - \$10,000,000	0.80%
\$10,000,000 and above	Negotiable

Our fees are negotiable and may vary based on factors such as account size, related accounts, anticipated future assets, and scope of services provided. For accounts below \$1,000,000, fees are negotiated and generally will not exceed 1.20%, subject to our \$5,000 minimum annual fee. Please note that we generally do not accept new clients with less than \$1,000,000 in assets.

**Fee Negotiation and Householding:** We reserve the right to charge a fee that may be higher or lower than the guideline schedule based on a client's particular circumstances. During the initial negotiation process, we typically aggregate (or "household") the values of all related client accounts to determine the appropriate guideline fee. Once a fee rate is established in the investment advisory agreement, that rate generally remains static. The percentage does not automatically decrease or increase based on future market movement, additional deposits or withdrawals, or the addition of accounts to or removal of accounts from the household. The percentage will never increase without written notice to and prior consent of the client.

**Flat Fee Structure:** Unlike "tiered" schedules where different rates apply to portions of an account balance, we utilize a flat fee structure. Once a negotiated rate is established, that single percentage is applied to the entire balance of the account.

**Billing Cycle:** Advisory fees are generally billed quarterly in advance based on the market value of the account(s) as of the last business day of the prior month. Billing quarters begin on the first

business day of March, June, September, and December. Fees are generally deducted directly from the client's custodial accounts. Clients must authorize the custodian to deduct advisory fees pursuant to the investment advisory agreement.

For new or existing accounts that receive capital or make withdrawals during the middle of the billing quarter, we prorate the fee based on the number of days the assets were under our management during that quarter. This is reflected in the following billing cycle. This pro-rata adjustment ensures that capital is only billed for the actual time it was managed by Zhang Financial.

### **Other Fees**

In addition to the fees discussed above, clients may also pay third-party costs and expenses. These may include custodial fees, charges imposed directly by a mutual fund, index fund, or ETF (i.e., fund management fees and other fund expenses disclosed in the fund's prospectus), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, electronic fund transfer fees, third-party reporting platform fees, account termination, account maintenance fees, and other fees and taxes on brokerage accounts. Clients without wrap accounts will pay brokerage transaction fees. These fees are not included within the fee that clients are charged by Zhang Financial.

### **Refunds**

Either party may terminate the investment advisory agreement at any time. If our services are terminated, we will refund the unearned portion of any pre-paid advisory fee on a pro-rata basis. Clients are requested to advise us in writing if they wish to terminate our services. Upon receipt of the letter of termination, we will promptly proceed to process a pro-rata refund, which is calculated based on the number of days remaining in the billing quarter from the date of termination through the end of the billing cycle.

### **Compensation for Sale of Securities**

We are committed to providing fee-only investment advisory services. Zhang Financial and our supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. This ensures that we remain focused solely on providing objective investment advice as fiduciaries to our clients.

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## **Item 5 – Account Requirements and Types of Clients**

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Zhang Financial provides investment advisory services to a variety of clients, including individuals, high net-worth individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations, limited liability companies, other business types, and municipal government entities.

We generally require a minimum balance to start or maintain an investment advisory relationship with us. The minimum balance is \$1,000,000 for clients residing in the State of Michigan, and \$2,000,000 for clients residing outside the State of Michigan. This minimum balance is generally preferred throughout the course of the client's relationship with us. However, this minimum

requirement may be waived in certain circumstances, at our sole discretion. While we prefer this minimum, it is negotiable at our sole discretion, and we may waive or lower the minimum for various reasons, including family members of existing clients, employees and their families, anticipation of future asset growth or additional deposits, legacy relationships, or other factors we deem relevant.

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## **Item 6 – Portfolio Manager Selection and Evaluation**

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All Zhang Financial accounts within the wrap fee program are managed by our in-house portfolio managers. Our managers are selected and evaluated based on their ability to adhere to our disciplined investment parameters and their success in meeting the individualized goals of our client. The Firm was founded primarily as a portfolio management firm, and we act as the sponsor of this program solely to provide a bundled fee structure that simplifies the client experience. Consequently, we do not utilize third-party portfolio managers.

Because the Firm absorbs transaction costs, a potential incentive exists to trade less frequently in a client's account to minimize Firm expenses. We mitigate these conflicts through our continuous and regular account supervision and our overarching fiduciary duty to our clients. Our investment committee meets regularly to evaluate the performance and suitability of our investment recommendations, ensuring that our portfolio managers continue to meet the highest standards of our fiduciary mandate.

### **Types of Advisory Services**

We offer asset management and advisory services to both individuals and entities, emphasizing continuous and regular account supervision.

#### **Asset Management**

As part of our asset management services, we construct and manage investment portfolios that may consist of, but are not limited to, individual stocks, bonds, exchange-traded funds ("ETFs"), mutual funds, money market funds, stock options, and other publicly traded securities. Each client's investment strategy is tailored to their individual financial circumstances, investment objectives, time horizon, and risk tolerance. Portfolios may include some or all of the previously mentioned securities and are constructed to align with the client's stated investment objectives and goals. We regularly monitor client portfolios and make appropriate adjustments based on changes in market conditions, investment opportunities, and the client's financial circumstances. Our ability to effectively manage a client's portfolio depends in part on the client providing complete and accurate information regarding their financial circumstances and promptly notifying us of any material changes.

#### **Financial Planning and Consulting**

We provide clients with a variety of financial planning and consulting services to manage their financial resources based upon an analysis of the client's current situation, goals, and objectives. Our financial planning services typically involve the preparation of a financial plan or rendering a financial consultation which may encompass the following areas:

- Investment Planning
- Retirement Planning
- Estate Planning
- Charitable Planning
- Education Planning
- Corporate and Personal Tax Planning
- Wealth Management Strategies
- Retirement Distribution Strategy
- Asset Allocation
- Net Worth and/or Cash Flow Analysis
- Corporate Structure
- Insurance Analysis
- Employee Stock Option Planning
- Business and Personal Financial Planning

Our written financial plans and consultations include recommendations for a course of activity or specific actions to be taken by the client. For example, recommendations may include beginning or revising investment programs, creating or updating wills or trusts, revising insurance coverage, adjusting retirement savings strategies, or establishing education or charitable giving programs. We may refer clients to accountants, attorneys, or other specialists for non-advisory-related services. In some circumstances, and as part of our services, we may coordinate with other professionals selected by us for purposes such as tax or estate planning.

For written financial planning engagements, we provide an initial written summary of the client's financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide a written summary of our observations and recommendations. Plans or consultations are typically completed within six (6) months of a client signing a contract with us, assuming all requested information and documents are provided promptly. Implementation of our recommendations is always at the client's discretion.

#### Individual and Employer-Sponsored Retirement Plans

We provide advisory services to employer-sponsored plans on either a one-time or ongoing basis. Our primary role is to assist plan sponsors with establishing, monitoring, and reviewing investment options for both participant-directed retirement plans, such as 401(k) and 403(b) programs (collectively, "Plans"). Depending on the sponsor's needs, our services may include advice on plan structure and participant education. These services apply to Plans governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). When we provide investment advice to Plans, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA, but only with respect to the services described in our Pension Consulting Agreement.

As part of our asset management services, we also provide discretionary investment management services directly to participant-directed retirement plans and individual participants within a retirement plan. When we provide these services, we generally have discretionary authority to select and rebalance investment options within the participant's specific account to align with their individual goals. In this specific capacity, we act as an "investment manager" as defined in Section 3(38) of ERISA.

#### Institutional Advisory Services

We provide investment advisory services to institutional clients, including pension and profit-sharing plans, charitable organizations, municipal government entities, corporations, and other businesses. Under these arrangements, we provide continuous investment advisory services that may include

recommending asset allocation, providing investment research, and performing certain back-office functions.

### **Individual Tailoring of Advice to Clients**

We offer individualized investment advice to clients utilizing our asset management services. On the other hand, we offer general investment advice to clients utilizing our financial planning and consulting and our pension consulting services. We typically do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In instances that we would allow restrictions, it would be limited to our asset management services.

We manage select client accounts using internally developed models designed to meet various investment objectives and risk profiles. Models consists of various factors such as allocations of investments that we believe is appropriate for a particular strategy.

### **Participation in Wrap Fee Programs**

We offer wrap fee programs that are more fully described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”). Our wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance and other determining factors. Currently, nearly all our discretionary accounts are wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive 100% of the fees due under our wrap fee programs.

### **Performance-Based Fees and Side-by-Side Management**

We do not charge performance-based fees. Performance-based fees are those based on a share of capital gains on, or capital appreciation of, the assets of a client. Furthermore, we do not engage in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged a performance-based fee alongside accounts that are not charged a performance-based fee.

### **Methods of Analysis**

Zhang Financial utilizes Fundamental, Technical, and Cyclical analysis to formulate investment advice.

Fundamental – This involves an in-depth analysis of a company’s financial statements, management, competitors, markets, and competitive advantages. The analysis puts a focus on the overall state of the economy, interest rates, production, and earnings. We adhere to disciplined investment parameters, and our portfolios may include investments in undervalued companies. We are not concerned with short-term fluctuations in the market price; instead, we put more importance on a company’s value.

Technical – This involves an analysis of past market movements and does not consider the underlying financial condition of a particular company. We attempt to determine and recognize recurring patterns in investor behavior with respect to a particular company to potentially predict future price movement of certain securities.

Cyclical – This involves measuring the movements of a particular stock or sector against the overall market to predict the price movement of the security.

## **Investment Strategies**

We employ a variety of strategies based on client objectives, including long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), and trading (securities sold within 30 days). In certain accounts, we may utilize margin transactions and option writing, including covered options, uncovered options or spreading strategies.

## **Risks of Loss and Investment Risks**

Our methods of analysis described above may not accurately predict the movement or future performance of securities. A poorly managed or financially unsound company may underperform regardless of overall market conditions, and past performance does not guarantee future results. Investing in securities involves a risk of loss that clients should be prepared to bear. Some of the risks associated with our investment strategies are described below. The list is not intended to be a complete description of all the risks.

### *Market Volatility*

The prices of securities may experience periods of significant volatility. Market movements may occur rapidly and may be influenced by a variety of factors which we cannot predict or control, including changes in market sentiment, inflation, interest rates, and general economic, environmental, natural, human health, pandemic, and political conditions. Governments and regulatory authorities may also intervene in financial markets from time to time, which may affect market prices or liquidity. These factors may cause securities markets to move sharply or unpredictably and may result in significant fluctuations in the value of client accounts.

### *Stagnant Markets*

Certain investment strategies we employ rely on the presence of market volatility to create pricing inefficiencies that may be identified and used as investment opportunities. During periods of stagnant markets and/or deflation, the effectiveness of such strategies may be reduced, which may materially diminish performance.

### *Market Disruptions*

Client accounts may incur material losses during periods of market disruption or other extraordinary events. Disruptions from unexpected political, economic, military, public health, natural disaster, pandemic, or terrorist events may result in significant losses and may cause strategies that have historically exhibited lower risk to experience heightened volatility and risk.

### *Counterparty and Custodian Risk*

Financial institutions, including brokerage firms, counterparties, and banks with which clients interact, may default or encounter financial difficulties that impair their operational capabilities or clients' capital positions. Clients are also subject to the risk that exchanges or clearinghouses involved in processing securities transactions may fail, which could impair client accounts.

### *Interest Rate Risk*

The value of fixed-rate securities generally has an inverse relationship with interest rates. As interest rates rise, the value of such securities may decline. In addition, when the receivables or loans for

underlying securities are prepayable, the value of such securities may be negatively affected by increased prepayments, which generally occur when interest rates decline.

### Currency Risk

Overseas investments and companies with international operations are subject to fluctuations in the value of the U.S. dollar relative to foreign currencies.

### Illiquid Securities

Clients may be invested in securities, loans, or other financial instruments that are not actively or widely traded. As a result, it may be difficult to dispose of such investments quickly or at favorable prices, and they may also be more difficult to value.

### Concentration of Investments

At times, a significant portion of a client's assets may be concentrated in a particular security, industry, market, or country. If that security, industry, market, or country experiences adverse conditions, the client may face greater volatility and losses than a more diversified portfolio.

### Securities-Backed Borrowing

A limited number of clients may maintain lines of credit secured by the securities held in their investment accounts. If the value of the pledged securities declines, the lender may require the client to deposit additional collateral or repay a portion of the loan. If the client is unable to meet such requirements, securities in the account may be liquidated, which could result in additional losses or unfavorable tax consequences.

### Mutual Fund Risk

Mutual funds are investment companies that pool assets from many investors to invest in a diversified portfolio of securities. Clients investing in mutual funds indirectly bear their proportionate share of the fund's internal expenses, including management fees and other operating costs. These expenses are in addition to the advisory fees charged by Zhang Financial. In addition, the value of a mutual fund may fluctuate based on the performance of the underlying securities held by the fund, and there is no guarantee that the fund will achieve its investment objective.

### Exchange-Traded Funds ("ETFs")

ETFs are investment companies that trade on a securities exchange and can be bought and sold throughout the trading day. The market price of ETF shares may differ from the value of its underlying securities and may trade at a discount or premium to net asset value. In addition, ETF shares are subject to bid-ask spreads, which generally vary based on the ETF's trading volume and market liquidity. Some ETFs, particularly those that invest in commodities, are not registered as investment companies under the Investment Company Act of 1940.

### Equity Risk

Investments in equity securities (such as common stocks) are subject to market risk and may experience significant price fluctuations. The value of equity securities may decline due to company-specific factors, such as changes in earnings, management decisions, or competitive conditions, as

well as broader market and economic conditions. As a result, equity investments may experience periods of volatility and may result in losses.

### Options

From time to time, we may use options as part of a risk management strategy, most commonly through covered call writing or collar strategies that involve purchasing put options while selling call options on securities held in a client's account. These strategies are generally intended to manage downside risk but may limit the potential upside appreciation of the underlying securities. Options transactions contain inherent risks, including partial or total loss of principal or default by the issuer. Selling options entails considerably greater risk than purchasing options as the seller may sustain losses well in excess of the fixed premium received. If the market or the underlying interest moves unfavorably, the seller may also need to contribute additional margin to maintain the position.

### Model Risk

Certain client accounts may be managed using internally developed and/or third-party models. These models are designed to reflect specific investment objectives and risk profiles. Although models are intended to provide consistent investment management, actual client portfolios may differ from the models due to factors such as client-specific restrictions, tax considerations, legacy holdings, account size, timing of transactions, or differences in the availability of securities. Additionally, information generated by models may be inaccurate due to a variety of reasons, such as imperfections in the models, deterioration in model performance over time, or issues related to the quality and reliability of input data, which may involve the exercise of judgment. Even if a model functions as intended, it cannot account for all factors that may influence the prices of securities. As market dynamics evolve, a previously effective model may become outdated or less reliable. There can be no assurance that the Firm will be successful in developing, obtaining, or maintaining effective models, or in identifying when a model is no longer performing as expected, which could result in losses.

### Cybersecurity Risk

Our Firm and our service providers (such as custodians, brokers, and other third-party vendors) rely on digital technologies and computer systems, and networks to conduct business and provide services to clients. These systems may be subject to cybersecurity incidents, which can include intentional attacks (such as hacking, phishing, or ransomware) as well as unintentional events (such as system errors, service interruptions, or accidental release of confidential information).

A cybersecurity incident could potentially result in:

- Operational Disruptions: An inability to access systems, process transactions, or obtain account information which could delay trading or other client services.
- Data Breaches: Unauthorized access to or disclosure of sensitive information, including clients' non-public personal information.
- Financial Loss: Costs associated with responding to or mitigating cybersecurity incidents.

No cybersecurity program or system can guarantee complete protection against all potential threats. Despite our efforts and those of our service providers, cybersecurity incidents may occur and could have a material adverse effect on client accounts or our ability to provide services.

### **Proxy Voting**

Zhang Financial does not and will not accept authority to vote client proxies. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If we receive any proxies or solicitations on a client's behalf, we will strive to forward them to the client and request the sending party to mail future proxies and solicitations directly to them. Clients maintain exclusive responsibility for voting all proxies for securities in their accounts and for making all elections related to any mergers, acquisitions, tender offers, bankruptcy proceedings, class or mass actions, legal proceedings or other events pertaining to the securities held in client accounts.

Although we do not vote proxies on behalf of clients, clients may us at (269) 385-5888 to discuss any questions they may have about particular proxy votes or other solicitations. We may provide general information or analysis regarding proxy matters upon request, but we do not provide specific voting recommendations. However, the final decision on how to vote or whether to participate in a legal proceeding remains entirely with the client.

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## **Item 7 – Client Information Provided to Portfolio Managers**

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As the sponsor and sole portfolio manager to our wrap fee programs, Zhang Financial has direct access to all client information required to manage your account. We do not utilize outside, third-party portfolio managers, and therefore, we do not communicate your information to any external investment managers.

To provide individualized investment management, we provide our in-house portfolio managers with comprehensive information regarding your investment objectives and financial goals, risk tolerance and time horizon, financial circumstances, and liquidity needs.

We rely on you to provide us with accurate and complete information and to promptly notify us of any significant changes in your financial situation or investment objectives. We contact wrap fee clients at least annually to determine whether there have been any changes to their financial profile.

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## **Item 8 – Client Contact with Portfolio Managers**

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As Zhang Financial serves as the sole portfolio manager for our wrap fee program, clients have direct and unrestricted access to our investment professionals responsible for the management of their accounts. Unlike wrap programs that utilize third-party advisers, our in-house structure ensures that there are no communication barriers between the client and the portfolio management team.

Clients are encouraged to contact their Client Services professional or our portfolio management team during normal business hours to discuss their account performance, investment strategy, or changes in their financial circumstances. We believe that direct communication is essential to maintaining a portfolio that is accurately aligned with a client's long-term objectives and risk tolerance.

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## Item 9 – Additional Information

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### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the Firm. Neither the Firm nor our management personnel have been involved in any reportable disciplinary events.

### **Other Financial Industry Activities**

Neither Zhang Financial nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities. Furthermore, we are not engaged in any other financial activities and have no affiliations with broker-dealers, municipal dealers, government securities brokers or dealers, investment companies or other pooled investment vehicles, other unrelated investment advisers or financial planners, futures commission merchant, commodity pool operator or commodity trading advisor, banking or thrift institutions, insurance company or agency, pension consultant, real estate broker or dealer or sponsor or syndicator of limited partnerships.

We do not recommend or select other investment advisers for our clients and therefore cannot receive any compensation, directly or indirectly, from those other investment advisers.

### **Financial Affiliates**

#### *Lynn Chen-Zhang, CPA, PLC*

Lynn Chen-Zhang, our Chief Executive Officer, is the owner of Lynn Chen-Zhang, CPA, PLC, an entity that provides tax preparation services. These services are provided to Zhang Financial clients, generally for additional fees and under a separate engagement. No client is required to purchase tax services through Lynn Chen-Zhang, CPA, PLC, and all clients have the option to purchase such services elsewhere. In some instances, these services may be included as part of the broader client relationship. We do not believe that this association poses a conflict of interest, as additional services are billed separately.

#### *Zhang Legal Group PLC*

Alex C. Zhang, Senior Vice President and minority owner of Zhang Financial, is the owner of Zhang Legal Group PLC, a separate and distinct entity providing legal and estate planning services. Zhang Financial clients may utilize this firm for establishing trusts or coordinating with the clients' existing service providers. These services are provided under a separate engagement for an additional fee.

To ensure our advice remains objective, Zhang Financial offers a one-time asset management fee reduction for certain clients' eligible legal and estate planning services. This fee reduction is applied for one quarter after services are rendered, regardless of whether the client uses Zhang Legal Group PLC or an independent law firm of their choice to establish trusts or for estate planning. No client is required or obligated to utilize the legal services of Zhang Legal Group PLC, and we encourage clients to consider other law firms. We do not believe this association poses a conflict of interest as additional services requested are billed separately and the asset management fee reduction is applied when clients choose any law firm for the provision of eligible estate planning services or to establish trusts.

We do not recommend or select other investment advisers for our clients and therefore cannot receive any compensation, directly or indirectly, from those other investment advisers.

### **Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

We require all supervised persons to conduct business with the highest level of ethical conduct and to always comply with securities laws. To support this commitment, we have adopted a written Code of Ethics designed to mitigate and address potential conflicts of interest that may arise in connection with our advisory activities. Our Code of Ethics establishes standards of conduct and includes policies and procedures governing personal securities transactions by our supervised persons. These procedures include requirements related to pre-clearance of certain securities transactions and prohibitions on insider trading.

Upon commencing employment with Zhang Financial, and at least annually thereafter, all supervised persons must acknowledge in writing that they have received, read, understand, and agree to comply with our Code of Ethics. To monitor compliance, we require employees to report personal securities transactions on a quarterly basis and provide annual securities holdings reports. These reporting requirements assist us in identifying and addressing potential conflict of interest related to personal trading activities.

Zhang Financial and our associated persons may buy or sell securities for their personal accounts that are identical to, or traded at or about the same time as, securities recommended to or purchased or sold for client accounts. This practice creates a potential conflict of interest as Zhang Financial or an associated person may have an incentive to favor their personal account over a client's account. To mitigate this risk, our Code of Ethics mandates that all supervised persons must always place client interests ahead of their own and to adhere to the personal trading procedures set forth in our Code of Ethics. We periodically review the personal securities transactions of our supervised persons to help ensure that their trading activities do not disadvantage our clients or violate our fiduciary duty.

Clients or prospective clients may request a copy of our Code of Ethics by contacting our Chief Compliance Officer, Christopher Reiff, at (269) 385-5888 or [christopher.reiff@zhangfinancial.com](mailto:christopher.reiff@zhangfinancial.com).

### **Review of Accounts**

Accounts are reviewed at least annually for changes in suitability factors and quarterly for return dispersion and adherence to asset allocation. Additional reviews may be triggered by events such as receipt of additional assets, change in a client's financial condition, significant change in the market environment, liquidation or distribution of a significant portion of the portfolio, or upon request by a client. A designated member of Zhang Financial's investment team conducts these reviews.

While we do not provide written reports to clients unless specifically requested, we generally provide verbal reports to clients during annual meetings for clients who engage our asset management services. The qualified custodians holding client funds and securities provide written transaction confirmations and brokerage statements at least quarterly.

### **Client Referrals and Other Compensation**

We do not receive any economic benefits from any outside firms who provide investment advice or other advisory services to our clients. In addition, we do not compensate any person or entity who is not a supervised person for clients referred to Zhang Financial. By avoiding these arrangements, we eliminate the potential conflicts of interest that arise when an adviser has a financial incentive to recommend specific products or third-party services. Our only source of compensation is the fees paid by our clients as described in Item 4.

### **Financial Information**

We have no financial condition or commitment that impairs our ability to meet our contractual and fiduciary obligations to clients. Zhang Financial has not been the subject of a bankruptcy petition at any time during the past ten years.