

ITEM 1: Cover Page



AURORA

Financial Planning
Investment Management

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Form ADV Part 2A & 2B – Firm Disclosure Brochure

Updated: May 14, 2021

This Brochure provides information about the qualifications and business practices of Aurora Financial Planning & Investment Management LLC (AFPIM). If you have any questions about the contents of this Brochure, please contact us at: (858) 205-7651 or kathleen@aurorafinancialpim.com. 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. Aurora Financial Planning & Investment Management LLC is registered as an Investment Adviser with the State of South Carolina. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about AFPIM is available on the SEC's website at:

www.adviserinfo.sec.gov

The firm's identification number 291658.

Item 2: Material Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators.

This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of AFPIM.

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 291658.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at:

Aurorafinancialpim.com

Material changes:

Registration in South Carolina added; May 2020

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Item 4: Advisory Business

Description of Advisory Firm

Aurora Financial Planning & Investment Management LLC, is registered as an Investment Adviser with the State of CA & SC, founded in November 2017. Kathleen Owens is the principal owner of AFPIM.

Types of Advisory Services

Investment Management Services (AFPIM manages investment accounts).

The firm is in the business of managing individually tailored investment portfolios. The firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client and based on the investment strategy the client chooses. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment experience and history, as well as family composition and background. Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, protection of principal, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure. We construct portfolios utilizing Cash, Money Market Funds, Mutual Funds, Exchange Traded Funds and individual bonds and equities. We do not trade derivatives.

Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

Financial Planning

We provide financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning is an evaluation of a client's current and future financial state by using currently

known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client.

Clients purchasing this service will receive a written (paper) or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern, given the completeness of information provided by the client. The client and adviser will work together to select specific areas to cover. These areas may include, but are not limited to the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to children or grandchildren.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile. We receive compensation in the form of a commission on the sale of certain insurance products. This presents a conflict of interest. We attempt to minimize or eliminate this conflict by: 1. informing the client that they have no obligation to act upon our recommendation, nor to obtain an insurance product through us. 2. We do not know what the commissions might be from one product to another. We ask the insurance companies that we work with to not disclose this information to us. Thus, we have information only relating to what is in the best interest of the client.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in **Item 8** of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance (and the level of insurance) versus the

benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Comprehensive Financial Planning

This service involves working one-on-one with a planner over an extended period of time. By paying a monthly retainer, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the client’s information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written (paper) or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow up meeting is required, we will meet at the client's convenience. The plan and the client’s financial situation and goals will be monitored throughout the year and follow-up phone calls, video chat and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

Conflict of Interest

A conflict exists between the interests of the investment adviser and the interests of the client, due to the nature that the investment adviser receives compensation. The client is under no obligation to act upon the investment adviser's recommendation, and if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser. As independent advisers, we do not receive

any benefit from third parties as a result of our investment management and financial planning recommendations to clients. If an insurance product is recommended, the client would be notified of the conflict.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation is dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Wrap Fee Programs

We do not participate in wrap fee programs.

Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation section below.

Investment Management Services (AFPIM Manages assets)

It is recommended that clients have a written financial plan as a guide for the management of their investment account(s). However, a written financial plan is not required to initiate investment management services through our firm.

Our advisory fee is based on the market value of the assets under management:

| Assets Under Management | Annual Fee as a Percentage |
|--|----------------------------|
| \$500,000 - \$1,000,000 | 1.00% |
| \$1,000,001 - \$4,000,000 | 0.75% |
| \$4,000,001 – and above | 0.40% |
| <i>Account minimum is negotiable. \$1,000 minimum annual fee</i> | |

The annual fees are pro-rated and paid in advance on a quarterly basis. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the account value as of the last day of the previous quarter resulting in a combined weighted fee.

For example, an account valued at \$2,000,000 would pay an effective fee of 0.75% with the annual fee of \$15,000. The quarterly fee is determined by the following calculation: $(\$1,000,000 \times 1.00\%) + (\$1,000,000 \times 0.50\%) \div 4 = \$3,750$. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement. Account minimum: \$500,000.00.

Advisory fees for investment management are directly debited from client accounts, with client's signed consent. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client.

Reasonable Fees

Our advisory fee is reasonable considering the type of services we offer, the experience and expertise of our adviser(s), the cost of doing business in the States in which we operate, the cost of regulatory compliance and the sophistication and bargaining power of the client. We routinely review the fees of other firms offering the same services at the same or similar level of experience and expertise, in the same geographical area and deem that our fees are very reasonable. Fees are negotiable. Lower fees for comparable services may possibly be obtained from other sources.

Financial Planning (Project Based)

Clients may choose to limit the scope of financial planning to one or more areas of their financial life and may not desire comprehensive financial planning. Financial planning services are separate from investment account management services. Each service is billed separately. Financial planning clients are not required to also have investment account management with our firm.

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee starts at \$2,500.00 and increases, based on complexity and needs of the client. Also, the approximate length of time for the project based financial planning will be estimated at initiation of the

engagement. The fee is negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of process and the remainder is due at completion of work, prior to the full presentation of the plan.

Fees for this service may be paid by electronic funds transfer or check. Upon termination, the half of the fee that is due up front will be non-refundable, along with work already performed, and no further fees will be charged. AFPIM does not require prepayment six months or more in advance of more than \$500 of advisory fees.

Financial Planning Hourly Fee

The financial planning fee is an hourly rate of \$375.00 per hour. At the beginning of the engagement, an estimate of the number of hours needed to complete the service will be provided to the client and noted on the financial planning agreement. A deposit of one-half the estimated total fee is due, prior to commencement of the planning relationship. In the event of early termination by client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check. AFPIM does not require prepayment six months or more in advance of more than \$500 of advisory fees.

Comprehensive Financial Planning

This service involves working one-on-one with a planner over an extended period of time. Usually, our investment management clients retain us to provide ongoing, annual planning at a reduced rate of 50% of the initial engagement fee. By paying a monthly retainer, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date. We also offer extensive coaching and a behavioral finance process to benefit the client.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client.

Clients subscribing to this service will receive a written (paper) or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the client's convenience.

The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls, video chat and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

Comprehensive financial planning involves working with other professionals such as CPA's, tax attorneys and estate and trust attorneys. Comprehensive Financial Planning consists of an upfront charge (deposit) of 50% of the estimated fee and an ongoing fee that is paid monthly, in advance, at the rate of \$99.00-\$600.00 per month. Comprehensive financial planning is billed separately from investment account management. Financial planning clients are not required to also have investment account management with our firm. Upon termination of the service, any unearned fee will be refunded to the client.

Other Types of Fees and Expenses

Our fees are separate from brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund 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 our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We 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.

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

We do not offer performance-based fees or side-by-side management of accounts.

Item 7: Types of Clients

We offer financial planning and investment account management services to individuals, and high net-worth Individuals. We offer our services as advisors to businesses with 401(k) plans.

There is an account minimum of \$500,000.00, for investment account management services. If the account falls below the minimum, we may ask that the account be transferred.

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

Our methods of investment analysis are the use of an institutional-grade risk software program that calculate risk based on forward-thinking data.

Institutional-grade risk software involves the use of proprietary software created by the world's largest asset manager that analyzes the level of risk for individual portfolios. This analysis is in addition to the typical analysis of risk by the standard deviation calculation. Models are dynamic and adjust as needed.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value.

If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis is the process used by financial analysts who believe the study of past movements, trends and patterns of a company's securities can assist in predicting future security prices.

Cyclical Analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Passive Investment Management

We practice passive investment management where appropriate. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. The funds that are used to build passive are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative

tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal). It must be noted that passive asset management does not beat the market as a whole.

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Limited Markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or

the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remain the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common Stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity.

Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket.

Investing in municipal bonds carries the same general risks as investing in bonds in general.

Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, liquidity and valuation risk.

Options and other Derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price

lower than the current market price. (NOTE: our firm does not trade individual options or other derivatives)

Exchange Traded Funds: prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETF's are also subject to the following risks: (1) an ETF's shares may trade at a market price that's above or below their net asset value; (2) the ETF may employ an investment strategy that utilizes high leverage ratios; or (3) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

Mutual Funds: Investment Companies Risk: When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Item 9: Disciplinary Information

Criminal or Civil Actions:

AFPIM and its management have NOT been involved in any criminal or civil action.

Administrative Enforcement Proceedings:

AFPIM and its management have NOT been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings:

AFPIM and its management have NOT been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of AFPIM or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No AFPIM employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. No AFPIM employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. AFPIM does not have any related parties. As a result, we do not have a relationship with any related parties. AFPIM only receives fee compensation directly from clients.

License to offer Insurance Products

We receive compensation in the form of a commission on the sale of certain insurance products. This presents a conflict of interest. We attempt to minimize or eliminate this conflict by: 1. Informing the client that they have no obligation to act upon our recommendation, nor to obtain an insurance product through us. 2. We do not know what the commissions might be from one product to another. We ask the insurance companies that we work with to not disclose this information to us, thus we have information only relating to what is in the best interest of the client. 3. We hold insurance licensing to keep current knowledge of these products so that we are able to best serve our clients. There are continuing education requirements and costs to us to maintain this licensing.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the

specific consent of the client unless in response to proper legal process, or as required by law.

- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request. Adviser-Kathleen J. Owens is a CFP candidate. As such, Ms. Owens is required to abide by the Fitness Standards and Disciplinary Rules and Procedures set by the CFP Board.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit personnel transactions in specific reportable securities transactions by limiting trading by personnel to 5 days prior client account trading for the identical security. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal transaction records per regulation.

Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days prior to the same security for clients.

Item 12: Brokerage Practices: The custodian and brokers we use

Aurora Financial Planning & Investment Management does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see **Item 15: Custody**, below). Your assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank. We require that our clients use Pershing-Bank of New York Mellon, "Pershing" a registered broker-dealer, member SIPC, as the qualified custodian.



Clearing and Custody

Pershing, is a subsidiary of The Bank of New York Mellon, and provides securities clearing and custody. BNY Mellon is the world's largest custodian with over \$27 trillion in assets under custody. Shareholders Service Group holds client accounts and processes securities transactions under a fully-disclosed clearing agreement with Pershing. That means your assets are safeguarded by one of the oldest custodians in the world. Since 1939, Pershing has provided brokerage execution, trade clearance, securities data processing and investment access to registered broker/dealers. Pershing is a member of the NYSE, FINRA and SIPC. With over six million accounts and more than \$1.5 trillion in client assets, Pershing is the largest securities clearing firm in North America and has extensive financial resources. We are independently owned and operated, and adviser is not affiliated with Pershing, the brokerage firm. Broker does not supervise the advisor, its agents or activities. Pershing will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

How we select brokers/custodians

We seek to select a custodian/broker that will hold your assets and execute transactions on terms that are, overall advantageous when compared with other available providers and their services. We consider a wide range of factors, including: reputation, financial strength, security and stability. Combination of transactions execution services and asset custody services (generally without a separate fee for custody). Capability to execute, clear, and settle trades (buy and sell securities for your account). Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.). Breadth of available investment products from a wide variety of investment firms: stocks, bonds, mutual funds, exchange-traded funds [ETF's]. Availability of investment research and tools that assist us in making investment decisions. Quality of service. Competitiveness of the price of those services (commissions, rates, margin interest rates, other fees, etc.), and the willingness to negotiate prices. Prior service to us and our clients. Availability of other products and services that benefit us and help us serve our clients to the highest level.

Your brokerage and custody costs

For our client accounts that Pershing LLC maintains, Pershing LLC generally does not charge you separately for custody services but is compensated by charging you commissions and other fees on trades that it executes or that settle into your account. Certain trades (for example, many mutual funds and

ETF's) may not incur Pershing LLC commissions or transaction fees. Pershing LLC is also compensated by earning interest in the uninvested cash in your account.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we may aggregate the purchase of a particular security for more than one client account when it is deemed to benefit the client by lowering trading costs. This practice is referred to as block trading.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on an ongoing basis and at last on a quarterly basis by Kathleen J. Owens, founder and managing member. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Portfolios utilizing institutional-grade software analysis are monitored and funds adjusted on an ongoing basis to keep risk levels within an appropriate level per the client's risk tolerance. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

AFPIM will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

Financial planning clients will receive an initial financial planning document that outlines their current financial situation and goals. For clients electing comprehensive financial planning, the initial financial planning document will evolve with the changes pertaining to the client's financial situation, goals and life circumstances. Updates to the documents will be performed on an as-needed basis, and client interactions will be ongoing as needed to stay abreast of the client's current situation.

Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Under government regulations, we are deemed to have custody of your assets because you authorized us to instruct Pershing LLC to deduct our advisory fees directly from your account. We only are deemed to have “custody” of funds and securities solely as a consequence of the agreement to withdrawal our advisory fee from client accounts.

Pershing LLC maintains actual custody of your assets. You will receive account statements directly from Pershing LLC at least quarterly. They will be sent to the email or postal mailing address you provided to Pershing LLC. You should carefully review those statements promptly when you receive them.

The client will provide written authorization to AFPIM, permitting them to be paid directly from their accounts held by the qualified custodian. We will send our clients a statement which itemizes quarterly investment account advisory fees, which are deducted from client account(s). An invoice is sent to the custodian at the same time the invoice is sent to the client. The statement will clearly show how the fee was calculated and the time period covered by the fee. The fee is calculated using the account value on the last business day of the prior quarter. This calculation is described in detail on page 9 of this document. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we will provide to you. The custodian will not determine whether the fee is properly calculated. Advisor is not affiliated with the custodian. The custodian does not supervise the advisor, its agents or activities. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial condition that impairs our ability to meet contractual and fiduciary commitments to clients. We do NOT have custody of client funds or securities, (except in the process of debiting client's fees), or require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. We have NOT been subject of a bankruptcy during the past 10 years, or ever.

Item 19: Requirements for State-Registered Advisers

Principal Executive Officers and Management Persons

We list the principal executive officers and management persons of AFPIM under Item 4: Advisory Business. A description of their education and business background is included in the brochure supplement, Form ADV Part 2B, which is provided to clients initially. Clients can also get a copy of the brochure supplement for AFPIM's officers at any time by contacting us at the address or phone number on the cover page of this brochure.

Other Business Activities

Kathleen J. Owens holds an insurance license and receives compensation for business transacted with Insurance companies.

Performance-Based Fees

AFPIM does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Legal and Disciplinary Issues

AFPIM and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Neither AFPIM nor our personnel have any disclosable legal or disciplinary events.

Arrangements with Securities Issuers

AFPIM and our personnel have no relationships or arrangements with issuers of securities.

Disclosure of Material Conflict

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

Business Continuity Plan

AFPIM maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruption, including death of investment adviser or any of its representatives.

Item 1 Form ADV Part 2B – Brochure Supplement

Aurora Financial Planning & Investment Management LLC

19 Shelter Cove Lane, Hilton Head Island, SC 29928

Website: Aurorafinancialpim.com

Email: kathleen@aurorafinancialpim.com

(858) 205-7651

Kathleen J. Owens [Individual CRD# 6145811]

Founder, Chief Compliance Officer, Financial Adviser

This brochure supplement provides information about Kathleen Owens that supplements the Aurora Financial Planning & Investment Management LLC brochure.

A copy of that brochure precedes this supplement. Please contact Kathleen Owens if the Aurora Financial Planning & Investment Management LLC brochure is not included with this supplement or if you have any questions about the contents of this supplement. Additional information about Kathleen J. Owens is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 6145811.

Item 2: Educational Background & Business Experience

Education

University of California Los Angeles-Personal Financial Planning Certificate

Yale University- Financial Markets Certificate

Certified Financial Planner Candidate

CFA Institute Financial Markets Certificate

Northeastern University- D' Amore-McKim School of Business: MBA (9 of 17 units)

University of Southern California-Business Administration

California Coast University: BS-Business Administration, Summa cum laude

Business Experience

11/2017-present: Financial Adviser: Aurora Financial Planning & Investment Management

3/2014-11/2017: Financial Adviser: Alta Pacific Wealth Management, Mission Viejo, CA

12/2012-3/2014: Financial Advisor: Morgan Stanley Wealth Management, Santa Ana, CA

2/2003-12/2012: Consultant: Owens Financial Management-Family Office, Newport Beach, CA.

Securities Qualification Examinations Held

Series 66-Uniform Combined State Law Qualification Examination - ACTIVE

Series 7- General Securities Representative Qualification Examination - INACTIVE

Professional Licensing

South Carolina: Accident and Health, Variable Contract Insurance License

Item 3 Material Disciplinary Disclosures

NO supervised person at Aurora Financial Planning & Investment Management LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Item 4 Other Business Activities

Kathleen J. Owens holds a South Carolina insurance license and receives compensation for business transacted with insurance companies.

Item 5 Additional Compensation

Kathleen Owens does not receive any additional economic benefit from any person, company, or organization, in exchange for providing clients advisory services through AFPIM.

Item 6 Supervision

Kathleen J. Owens provides supervision for AFPIM. Her contact information is:

kathleen@aurorafinancialpim.com Phone number: (858) 205-7651.

Item 7 Requirement for State-Registered Adviser

In addition to the events listed in Item 3 of Part 2B, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event.

NO DISCLOSURES TO REPORT.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

NO DISCLOSURES TO REPORT

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

NO DISCLOSURES TO REPORT

B. If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

NO DISCLOSURES TO REPORT