

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser:

Anderson Financial Management, L.L.C.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

3627 Stoneridge Road, No. 1**Austin****TX****78746****512 327-4447**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.**

FORM ADV**Part II - Page 2**

Applicant:

Anderson Financial Management, L.L.C.

SEC File Number:

801-71242

Date:

3/15/10**1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate % of total advisory billings from that service. **ESTIMATES**
(See instruction below.)**Applicant:**

- | | | | |
|-------------------------------------|-----|---|--------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | <u>100</u> % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | ___% |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | ___% |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | ___% |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | ___% |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | ___% |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | ___% |
| <input type="checkbox"/> | (8) | Provides a timing service | ___% |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | ___% |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term?Yes ☒ No ☐**C.** Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input checked="" type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 3**

Applicant:

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Date:

3/15/10**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities | |
| <input type="checkbox"/> (2) securities traded over-the-counter | I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | J. Futures contracts on: |
| | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | |
| <input type="checkbox"/> (2) variable annuities | |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 4**

Applicant:

Anderson Financial Management, L.L.C.

SEC File Number:

801-71242

Date:

3/15/10**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 5**

Applicant:

Anderson Financial Management, L.L.C.

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801- **71242**

Date:

3/15/10**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please refer to Schedule F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Please refer to Schedule F

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 6**

Applicant:

Anderson Financial Management, L.L.C.

SEC File Number:

801-71242

Date:

3/15/10**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No

☐ ☒

(2) amount of the securities to be bought or sold ?

Yes No

☐ ☒

(3) broker or dealer to be used ?

Yes No

☐ ☒

(4) commission rates paid?

Yes No

☐ ☒

B. Does applicant or a related person suggest brokers to clients?

Yes No

☐ ☒

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No

☐ ☒

B. directly or indirectly compensates any person for client referrals?

Yes No

☐ ☒

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No

☐ ☒**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Anderson Financial Management, L.L.C.	SEC File Number: 801-71242	Date: 3/15/10
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Item of Form (identify)	Answer								
Part II, Page 2, Item 1D	<p>Anderson Financial Management, L.L.C. (AFM) offers personalized investment advisory services to clients in the form of asset management and financial planning services. AFM's services and compensation arrangements are described in the following pages. Fees for advisory services will be disclosed to clients prior to any services being provided. At no time will AFM require payment of more than \$500 in fees more than six months in advance. In addition, advisory fees charged will never be based on the capital gains or capital appreciation of any client's account. This Schedule F narrative also provides prospective clients with information regarding AFM and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of AFM.</p> <p>Additional information about AFM is available at www.adviserinfo.sec.gov. Clients and prospective clients can search this site by using AFM's name or by an identification number known as a CRD number. AFM's CRD number is 153141.</p> <p style="text-align: center;">ASSET MANAGEMENT SERVICES</p> <p>AFM offers asset management services to government entities (e.g., cities, counties, school districts, etc.). AFM's investment advisor representatives (IARs) will create a specific allocation strategy and investment policy for each client and will provide ongoing assistance in evaluating and selecting investments as well as adjusting and balancing portfolios.</p> <p>Management services are provided through accounts maintained at qualified custodians, including registered investment advisors, broker/dealers and banks. Clients contracting for AFM's management services will have a limited number of approved custodians that have been selected by their respective governing bodies after a formal proposal solicitation. Although clients may occasionally ask Advisor for a list of custodians to consider or for help in soliciting a custodian, Advisor and its IARs will make no recommendations on which custodian to use and will not receive any research or other services from the custodians selected. Clients may direct Advisor to utilize any qualified custodian that has been approved for its use. Neither AFM nor its IARs will act as custodian for any client account or have access to client funds or securities. Nor will AFM or its IARs help to establish new accounts at an approved custodian.</p> <p>Management services are provided on a non-discretionary basis only, meaning that AFM will always contact the client before implementing any transactions in an account.</p> <p>AFM does not require any minimum account value when providing management services. Fees for management services are charged as either a flat fee or as a percentage of the assets under management as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><u>Account Value</u></th><th><u>Annual Fee</u></th></tr> </thead> <tbody> <tr> <td>Up to \$25 million</td><td>\$10,000 minimum</td></tr> <tr> <td>\$25 million - \$99 million</td><td>0.05%</td></tr> <tr> <td>\$100 million and above</td><td>0.02-0.04%</td></tr> </tbody> </table> <p>While percentage fees generally range from 0.02% - 0.05%, they are negotiable based on the size and complexity of the account. There is no exception to the \$10,000 minimum annual fee. Fees are billed quarterly in arrears and calculated on the value of the account at the end of the quarter. Accounts opened mid-quarter will be prorated based on the number of days that services were provided during the first billing period.</p>	<u>Account Value</u>	<u>Annual Fee</u>	Up to \$25 million	\$10,000 minimum	\$25 million - \$99 million	0.05%	\$100 million and above	0.02-0.04%
<u>Account Value</u>	<u>Annual Fee</u>								
Up to \$25 million	\$10,000 minimum								
\$25 million - \$99 million	0.05%								
\$100 million and above	0.02-0.04%								

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Anderson Financial Management, L.L.C.	801-71242	3/15/10

Item of Form (identify)	Answer
Part II, Page 2, Item 1D (continued)	<p>Fees are billed directly and AFM will send the client a billing statement documenting the amount of the fee, the manner in which the fee was calculated, any adjustments to the fee and an explanation of such adjustments. Payment is due upon client's receipt of AFM's billing statement. At least quarterly, the qualified custodian will send clients a quarterly statement showing all account activity for that quarter.</p> <p>In addition to the advisory fees charged by AFM, clients may incur brokerage commissions and/or transaction fees charged by the account custodian. These commissions and fees will be billed directly to the client and AFM will not receive any portion of such fees. In addition, clients may incur charges imposed by third parties other than AFM in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. A description of these fees and expenses are available in each investment company security's prospectus.</p> <p>Either party may terminate the agreement for services at any time by providing written notice to the other party. If services are terminated within 5 business days of executing the client agreement, services will be terminated without penalty. After the initial 5 day period, a 30 day notice is required. During that 30 day period, unless instructed otherwise, AFM and its IARs will continue to provide services previously begun but will not begin any new services without specific instruction from the client. Fees will be prorated to the effective date of termination and AFM will provide the client with a detailed billing statement.</p> <p>AFM may use the services of Valley View Consulting, L.L.C. (Valley View) to assist in developing strategy when providing management services to some advisory clients. AFM and Valley View are not affiliated, but some of AFM's IARs may be dually registered as investment advisor representatives with Valley View. When AFM and Valley View serve as co-advisors on managed accounts, they will have separate client agreements regarding advisory services and fees charged for those services. However, client fees will never be increased because this co-advisor relationship.</p> <p style="text-align: center;">FINANCIAL PLANNING SERVICES</p> <p><u>Consultations</u></p> <p>AFM may also provide consulting services to governmental authorities asking for assistance with non-management services for their investment portfolios. These consulting services could involve any aspect of the investment portfolio in place including, but not limited to, review and recommendation of investment policies, portfolio policies and procedures or cash flow analysis.</p> <p>Fees for consulting services can be charged on either an hourly or fixed fee basis. If charged on an hourly basis, the rate will generally not exceed \$250 per hour and will be negotiable based on the actual services requested and the complexity of the client's situation. Client will receive an estimate of the hours needed to complete the requested services and a quote for the maximum fee that will be charged. If the time needed to complete the services exceeds the estimate given, the IARs will obtain the client's permission before continuing the services but the client will never be charged more than the quoted maximum fee. Fixed fees will generally not exceed \$10,000 and are also negotiable based upon the actual services to be provided and the complexity of the client's situation.</p> <p>Fees are generally due upon completion of the services. However, if the services will continue for an extended length of time, the IARs, at their discretion, may agree to a quarterly billing cycle. Fees are due upon receipt of a billing statement from AFM.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Anderson Financial Management, L.L.C.	801-71242	3/15/10

Item of Form (identify)	Answer
Part II, Page 2, Item 1D (continued)	<p>Financial planning services terminate upon completion of the requested services. However, either party can terminate financial planning at any time by providing written notice to the other and termination will be effective 30 days from the date notice is received. If services are terminated within 5 days of the client agreement being signed, services will be terminated with no penalty. Client will be responsible for the time expended by AFM's IARs to the effective date of termination. AFM will provide the client with a detailed billing statement and payment will be due upon receipt of the statement.</p> <p><u>Newsletters</u></p> <p>AFM will provide periodic e-mails to all current clients regarding informational topics such as market and economic updates. There is no charge for these communications.</p>
Part II, Page 2, Item 2G	<p>Types of Clients</p> <p>AFM provides advisory services to government entities (e.g., cities, counties, school districts, etc.).</p>
Part II, Page 4, Item 5	<p>Education and Business Standards</p> <p>All individuals providing financial advice on behalf of AFM must have earned a college degree and have 3-5 years of industry experience. However, AFM will consider all situations on a case-by-case basis and may accept other qualifications in lieu of the aforementioned requirements.</p>
Part II, Page 4, Item 6	<p>Education and Business Background</p> <p>Susan K. Anderson, Born 1952</p> <p><i>Education Background:</i> St. Edward's University (Austin, TX), BS Finance 1994 Association for Financial Professionals, Certified Financial Manager designation 1985</p> <p><i>Business Background & Other Business Activity:</i> Anderson Financial Management, L.L.C.: Owner/Chief Executive Officer, 3/08-present; Chief Compliance Officer, 3/10-present; Investment Advisor Representative, 3/10-present Estrada Hinojosa & Company, Inc.: Vice President, 3/08-present Valley View Consulting, L.L.C.: IAR, 3/1/08-present University of North Texas, Center for Public Management: Instructor, 11/97-present PFM Asset Management, Inc.: Senior Managing Consultant, Registered Representative, 11/02-2/08 State of Texas: Chief Investment Officer, 2/01-5/02 PFM Asset Management, Inc.: Managing Consultant, Registered Representative, 11/97-2/01</p> <p>The majority of Ms. Anderson's time is spent on advisory services for AFM. She spends 30-40 hours per month on activities for Estrada Hinojosa and Valley View Consulting and approximately 8 hours per month on her duties as an instructor at the University of North Texas.</p>
Part II, Page 5, Item 10	<p>Conditions for Managing Accounts</p> <p>AFM does not require any minimum account value when providing management services but it does charge a minimum fee of \$10,000 annually.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Anderson Financial Management, L.L.C.	801-71242	3/15/10

Item of Form (identify)	Answer
Part II, Page 5, Item 11A	<p>Review of Accounts</p> <p>Financial planning services terminate upon completion of the requested services and there are no reviews performed on these accounts. Clients requesting a review will be required to sign a new client agreement and additional fees may be charged.</p> <p>Managed accounts are reviewed at least quarterly. At least annually, as required by state law, AFM's IARs will meet with the entire governing board of the investment portfolio to formally review the portfolio, its performance and possible revisions to its operation.</p> <p>Susan Anderson currently performs all account reviews. While the calendar is the main triggering factor, reviews may also be conducted due to specific client request or unusual market or economic conditions. Accounts are reviewed for continued suitability, accuracy of holdings and to ensure that the portfolios continue to work toward client goals and objectives.</p>
Part II, Page 5, Item 11B	<p>Clients will receive statements at least quarterly from the qualified custodian where there accounts are maintained. In addition, as required by state law, AFM will provide quarterly position and/or performance reports to all clients. If required by the client, AFM will also provide monthly position and/or performance reports. AFM does not charge for providing these reports.</p>
Part II, Page 6, Item 12A & Item 12B	<p>Investment or Brokerage Discretion</p> <p>AFM manages accounts on a non-discretionary basis only. Clients contracting for AFM's management services can direct AFM to use any qualified custodian that has been approved by its governing board for use. When clients direct the use of a specific custodian, AFM may not be able to obtain the best prices and execution for the transaction. As a part of their fiduciary duty, registered investment advisors must seek the best execution possible for client accounts, given all available facts and circumstances. While the quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. Clients who direct the use of a particular custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular custodian.</p> <p style="text-align: center;">CODE OF ETHICS</p> <p>Section 204A-1 of the <i>Investment Advisers Act of 1940</i> requires all investment advisors to establish, maintain and enforce a Code of Ethics. AFM has established a Code of Ethics that will apply to all of its members, investment advisor representatives and employees (associated persons). An investment advisor is considered a fiduciary according to the <i>Investment Advisers Act of 1940</i>. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. AFM has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for AFM's Code of Ethics, which also covers its insider trading and personal securities transactions policies and procedures. AFM requires all of its associated persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all associated persons will sign an acknowledgement that they have read, understand and agree to comply with AFM's Code of Ethics. AFM has the responsibility to make sure that the interests of all clients are placed ahead of its or its associated persons' own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. AFM and its associated persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect its duty of complete loyalty to all</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Anderson Financial Management, L.L.C.	801-71242	3/15/10

Item of Form (identify)	Answer
	<p>clients. This disclosure is provided to give all clients a summary of AFM's Code of Ethics. However, if a client or a prospective client wishes to review AFM's Code of Ethics in its entirety, a copy will be provided promptly upon request.</p> <p style="text-align: center;">PROXY VOTING</p> <p>AFM and its IARs do not vote proxies on behalf of clients. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Clients have the ultimate responsibility for making all proxy-voting decisions.</p> <p style="text-align: center;">CLASS ACTION LAWSUITS</p> <p>Clients retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for clients. AFM will not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the clients should join a class-action lawsuit. AFM recommends that clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, AFM's services do not include monitoring or informing clients of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for clients.</p> <p style="text-align: center;">CUSTOMER PRIVACY POLICY</p> <p>In November of 1999, Congress enacted the <i>Gramm-Leach-Bliley Act</i> (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to non-affiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. AFM does not share or disclose customer information to non-affiliated third parties except as permitted or required by law.</p> <p>AFM is committed to safeguarding the confidential information of its clients. AFM holds all personal information provided by clients in the strictest confidence and it is the objective of AFM to protect the privacy of all clients. Except as permitted or required by law, AFM does not share confidential information about clients with non-affiliated parties. In the event that there were to be a change in this policy, AFM will provide clients with written notice and clients will be provided an opportunity to direct AFM as to whether such disclosure is permissible.</p> <p>To conduct regular business, AFM may collect personal information from sources such as:</p> <ul style="list-style-type: none"> • Information reported by the client on applications or other forms the client provides to AFM • Information about the client's transactions implemented by others • Information developed as part of financial consultations and analyses <p>To provide related services for client accounts, it is necessary for AFM to provide access to customer information within the firm and to non-affiliated companies with whom AFM has entered into agreements. To provide the utmost service, AFM may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on AFM's behalf:</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Anderson Financial Management, L.L.C.	801-71242	3/15/10

Item of Form (identify)	Answer
	<ul style="list-style-type: none"> • Information AFM receives from the client on applications (name, social security number, address, assets, etc.) • Information about the client's transactions with others (account information, payment history, parties to transactions, etc.) • Information about a client's financial products and services transaction with AFM <p>Since AFM shares non-public information solely to service its client, AFM does not disclose any non-public personal information about AFM's customers or former customers to anyone, except as permitted by law. However, AFM may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).