

**Item 1 – Cover Page**



**Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of ATFinancial Advisors. If you have any questions about the contents of this brochure, please contact us at: 563.582.1841 or by email at: [info@atfinancialadvisors.com](mailto:info@atfinancialadvisors.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. Being a "registered investment adviser" or describing ourselves as being "registered," does not imply a certain level of skill or training.

Additional information about ATFinancial Advisors is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 27, 2013**

## Item 2 - Material Changes

On July 28, 2010, the United State Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" which requires ATFinancial Advisors ("ATFA") to amend the disclosure document provided to clients. The Firm Brochure ("Brochure") is a new document prepared according to the SEC's new requirements and rules. The Brochure is materially different in structure and requires new information that ATFA's previous disclosure document did not require.

In the future, this Item will give the last date of the annual update and summarize material changes made to the Brochure.

In the past ATFA offered or delivered clients information about ATFA's qualifications and business practices on an annual basis. Pursuant to new SEC Rules, ATFA is required to deliver clients a summary of materials changes to this Brochure and subsequent Brochures within 120 days of the end of ATFA's fiscal year. ATFA will provide other ongoing disclosure information about material changes as necessary. All such information will be provided to clients free of charge.

Our company filed its most recent, annual update of this disclosure brochure (Part 2A of Form ADV) on March 27, 2012. This section discusses *only* material changes since that last annual update of our brochure. The material change since the last annual update of the brochure is as follows:

- Item 17 was change to reflect ATFA now accepts authority to vote client proxies. Item 17 briefly describes ATFA's voting policies and procedures and addresses conflicts of interest between ATFA and their clients with respect to voting their securities. Item 17 also describes how clients may obtain information from ATFA on how ATFA voted their securities.

Clients may request a copy of the Brochure by contacting Scott Steffen at (563)582-1841 or by sending an email to [info@atfinancialadvisors.com](mailto:info@atfinancialadvisors.com).

Additional information about ATFA is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4 - Advisory Business

### The Company

ATFinancial Advisors ("ATFA") is a wholly owned subsidiary of ATBancorp, a privately owned bank holding company incorporated in the state of Iowa. ATFA is a SEC Registered Investment Advisor with offices in Dubuque and Des Moines, Iowa. ATFA was formed in August of 2006. ATFA does not engage in any business other than providing investment advice.

### Investment Management

ATFA's management of client portfolios is generally on a fully discretionary basis (buying/selling securities without prior approval using blanket trading authority granted by clients in the investment management agreement).

ATFA tailors its advisory services to the individual needs of clients. Each client account is managed to an investment objective that is based on factors that include: financial situation, risk tolerance, time horizon, and other personal considerations. This investment objective becomes the roadmap ATFA uses to manage client portfolios. Portfolios are managed to maximize return subject to the established risk profile and investment objective. Clients may impose reasonable restrictions on investments for their account(s).

Once the objective is established, ATFA helps each client construct a portfolio which it then manages on a continuous basis. As indicated above, while providing management oversight, ATFA will select the securities to buy and sell, the amount to buy and sell, and decide when to buy and sell.

ATFA primarily allocates investment management assets among various individual equity and/or fixed income securities, exchange traded funds ("ETF") and/or mutual funds. The use of each will be predicated on the investment strategy utilized for each client account.

Clients are free to contact ATFA at anytime regarding their account.

ATFA may offer investment advice on the following types of investments:

- Equity securities
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment Company Securities (including variable life insurance, variable annuities and mutual fund shares)
- Option contracts on securities and commodities
- U.S. government securities

ATFA may also allocate client assets among American Trust & Savings Bank (the "AT&SB") common and pooled funds - which are exempted from mutual fund registration requirements (the "Funds"). Because ATFA provides sub-advisory services to the Funds, and AT&SB is an affiliate of ATFA, a conflict of interest is present. ATFA is paid by AT&SB directly and not by the fund. Clients must advise ATFA in writing if they do not want their assets allocated among the Funds.

ATFA offers a variety of strategies ranging from conservative to aggressive; please refer to "Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss" for more detail on the strategies.

Clients may impose restrictions in investing in certain securities, security types, or security amounts in accordance with their values or beliefs. However, if the restriction(s) prevents ATFA from properly managing the client's portfolio, or if the restriction(s) would require ATFA to deviate from its investment

management philosophies, ATFA reserves the right to disapprove the restriction(s) or terminate the relationship.

### **Sub-Advisory**

ATFA also provides similar services, in whole or in part, as a **sub-advisor** or co-advisor with other investment advisory firms that act as the primary advisor to clients. In such cases, services may be limited to those outlined in an agreement with that advisor. For example, ATFA may only manage a portion of a client's overall portfolio or may have limited/no contact with the client. Establishing investment objectives and determining suitability are then the responsibility of advisors other than ATFA.

### **Limited Consulting**

ATFA also provides clients with fee based consulting services. The services provided by ATFA are defined through a written agreement with the client that describes the terms and conditions of consulting services to be provided. This may include services related to:

- Plan and/or portfolio review
- Asset allocation
- Money management
- Manager due diligence and review
- Performance monitoring
- Ongoing consulting
- Communication and education services

The client retains absolute discretion and is free to accept or reject any of ATFA's recommendations. Consulting fees are negotiable and will vary depending upon the consulting services provided.

### **Limitations**

ATFA and its employees and affiliates can **not** guarantee future results. ATFA deals with variables that can and will change over time. It is ATFA's mission to put clients on the path to achieve their goals, but we do not state or imply any certainty of success. Clients must acknowledge that all investments involve risk of loss of principal. ATFA does not guarantee that objectives will be met.

### **Assets Under Management**

As of December 31, 2012 ATFA had \$359 million in assets under management. All of these assets were discretionary managed assets.

## **Item 5 - Fees and Compensation**

### **Discretionary Investment Management**

The specific manner in which fees are charged by ATFA is established in the client's written agreement with ATFA. Fees are generally calculated on a quarterly basis and will be computed based upon the market value of the assets under management on the last day of the calendar quarter. Fees may be paid in arrears each calendar quarter. Clients authorize ATFA to instruct the custodian to debit the fees from client's accounts. In certain circumstances, clients may elect to be invoiced and submit payment for fees. Clients will receive statements from their custodians and should review these statements carefully for fees deducted from the account.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Fees begin when cash or securities are deposited into a client's custodial account subject to a signed Investment Advisory Contract. For an existing account with the custodian, fees begin when an investment advisory contract is signed.

ATFA may at its discretion combine the value of related accounts for fee calculation purposes.

ATFA model portfolio fee schedule ranges are as follows:

	<u>Annual Fee Range*</u>
<b>ATManaged Allocation Portfolios</b>	.40% - 1.60%
<b>ATManaged Securities Portfolios</b>	.40% - 1.60%
<b>ATManaged Overlay Portfolios</b>	.70% - 1.85%

Fees will vary based upon the value of assets under management with the fee being lower with larger account values. The higher fees shown in the fee ranges above may include a fee paid to a solicitor for referring your account to ATFA. This fee arrangement is disclosed to referred clients before the clients sign an investment management agreement with ATFA.

Fees for Custom Portfolios are negotiated based upon certain criteria (anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, etc.).

ATFA may also charge a base fee of \$300.00 and require a minimum annual fee of \$1875.00 for discretionary investment management accounts. Excluding any minimums, fees for any investment management services provided by ATFA will not exceed 2.00%. ATFA may negotiate a different management fee for any account based upon similar criteria described in the preceding paragraph.

Clients may incur brokerage commissions, transaction fees, asset based fees, and other related costs which are paid by the client to the broker and/or custodian. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are separate from, and in addition to, ATFA's fee. ATFA does not receive any portion of these costs. For additional information, please see "Item 12: Brokerage Practices".

#### **Sub Advisory**

Fees to ATFA for the sub-adviser or co-adviser management services it provides do not exceed the service fees set forth above for Discretionary Investment Management services. Prospective and existing clients should be aware of the fact that the ATFA's fees do not include those of other investment advisory firms and, therefore, clients should carefully review the package of services and fees being charged by all advisory service providers. Fees charged for sub-advisory services range from .10% - 1.0% depending on the amount of assets and services provided. The specific manner in which fees are charged by ATFA is established in a written sub-advisory agreement between ATFA and other investment advisory firms.

#### **Limited Consulting**

Fees for consulting services are negotiated at the time ATFA enters into a consulting contract and are typically based on a percentage of the assets under consultation. Fees are calculated on a quarterly basis, in arrears, and will be computed based upon the market value of the assets under management on the last day of the calendar quarter. Fees charged for consulting services range from .15% - .60% depending on the amount of assets and services provided. ATFA will either invoice the client directly or request that the fee be deducted from client account directly. Fees begin when a consulting agreement is signed. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

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

ATFA does not charge performance-based fees or fees based on a share of capital gains on or capital appreciation of the assets of a client. ATFA does not have any side-by-side management conflicts.

## Item 7 - Types of Clients

ATFA provides discretionary investment advice to:

- Individuals
- Bank and thrift institutions
- Pension and profit-sharing plans
- Trusts, estates and charitable organizations
- Corporations
- Other business entities

Minimum account sizes for managed accounts vary and depend on the type of investment advisory service to be performed and in certain circumstances may be negotiable. Minimums for investment management service provided are as follows.

<b>Portfolio Type</b>	<b>Minimum</b>
ATManaged Allocation Portfolios	\$75,000.00
ATManaged Securities Portfolios	\$200,000.00
ATManaged Overlay Portfolios	\$350,000.00
Custom Management	Negotiable

For clients whose accounts fall below \$75,000, and are charged a minimum fee, fees could exceed 2% per year which is a higher fee than other advisors typically charge for the same service.

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

In delivering discretionary investment management services, ATFA's methods of analysis will vary depending on the investment strategy employed. ATFA security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon historical and projected financial performance); and cyclical analysis (analysis based upon the status of an issue within the price cycle the security or similar securities have followed historically)

ATFA's main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials provided by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases. ATFA relies on both internally and externally generated research as well as statistical data and material furnished by third-parties. Investment strategies may include long-term and short-term purchases.

### Investment Strategies

ATFA offers the following investment strategies:

- **ATManaged Securities Portfolios:** ATFA manages individual portfolios for clients by constructing specific equity, fixed income, or balanced portfolios primarily comprised of individual securities. Equity portfolios are managed with a disciplined process of identifying companies with strong cash flow and attractive valuations, diversified across broad economic sectors. Fixed income portfolios typically focus on high-quality intermediate-term bonds that may include taxable or municipal bonds depending on the client's needs and circumstances. Equity and fixed income

strategies may be combined to develop balanced portfolios with the allocation determined by investment objective of each client.

- **The ATManaged Allocation Portfolios:** ATFA constructs five (5) different mutual fund model portfolios ranging from conservative to aggressive. Asset allocation guidelines are set for each portfolio which includes established ranges built around each asset class. Mutual fund managers are selected for each asset class with holdings varying from six (6) to fifteen (18) mutual funds depending on the model. ATFA actively manages the mix within pre-established ranges and monitors the mutual fund managers of the portfolios. Tactical shifts are made based on market conditions and at the discretion of ATFA.
- **The ATManaged Overlay Portfolios:** ATFA constructs five (5) different portfolios ranging from conservative to aggressive. Asset allocation guidelines are set for each portfolio which includes established ranges built around each asset class. Portfolios are then developed using a combination of ETF's, third-party manager strategies, proprietary ATFA strategies, and/or mutual funds depending on the objective. ATFA actively manages the mix, monitors managers, and executes trades for each strategy all in one account.
- **Custom Portfolios:** Custom Portfolios are managed portfolios that may include a combination of various ATFA Strategies or may include asset classes or objectives not incorporated in other ATFA strategies. Specific guidelines are set for each account and agreed upon by ATFA and client.

All securities have various forms of risk including market and interest rate risk. It is possible that even the most conservative strategy offered by ATFA could lose money. ATFA can **not** guarantee any future results based on the advice given. Thus, significant losses can occur investing in any security, or by following any strategy, including those recommended or applied by ATFA.

## Item 9 - 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 ATFA or the integrity of ATFA's management. There have been no disciplinary events to be reported by ATFA or its employees.

## Item 10 - Other Financial Industry Activities and Affiliations

ATFinancial Advisors is a wholly owned subsidiary of ATBancorp, a privately owned bank holding company. ATBancorp also owns American Bank Wisconsin, and American Trust & Savings Bank, both FDIC member banks. American Trust & Savings Bank provides traditional banking services, including trust and investment management services. ATBancorp also controls shares in United American Bank, a publicly traded bank holding company in San Mateo, California, and is considered an affiliate of ATBancorp. Some of the principals of ATFA are shareholders. All subsidiaries and affiliates of ATBancorp are considered to be affiliates of ATFA.

ATFA may utilize the personnel and/or services of AT&SB in the performance of ATFA's business. These include, without limitation, human resources, accounting, equipment, marketing, insurance, office space, and other administrative services. Employees of ATFA are also employees of AT&SB and may perform similar duties.

ATFA may recommend AT&SB, a qualified custodian and affiliate of ATFA, to provide custodial services to clients. ATFA does not receive additional fees by recommending AT&SB as custodian, and the client pays no additional fee except for services that the client contracts directly with AT&SB. Where clients use AT&SB as the custodian of their account, ATFA may allocate client assets among one or more AT&SB



common and pooled funds - which pooled funds are exempted from mutual fund registration requirements (the "Funds"). ATFA also provides sub-advisory services to the AT&SB and their pooled funds. As a result, a conflict of interest is present. However, compensation to ATFA for management of the Funds is paid by AT&SB and not from the Fund. Therefore, clients do not pay additional fees for the use of the Funds. Clients must advise ATFA, in writing, if they do not want their assets allocated among the Funds.

United American Bank ("UABK") is a publicly traded company listed on OTCBB and trades under the symbol UABK. Because some of the principals of ATFA may be shareholders of UABK, ATFA shall not purchase UABK for any client account, except upon written request by a client. Certain ATFA clients may have become UABK shareholders prior to becoming a client of ATFA.

ATFA is not registered and does not have an application pending as a securities broker dealer, a futures merchant, commodity pool operator or a commodity trading advisors.

ATFA does not receive compensation, directly or indirectly, for selecting outside investment advisors for our clients.

Clients and prospective clients should be aware of the fact that a conflict of interest exists when an employee of ATFA recommends the services or investment related products of any of the affiliates named above.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

ATFA has adopted a Code of Ethics ("Code") that establishes standards of conduct for ATFA's personnel. The Code includes policies and requirements that ATFA's employees must follow regarding:

- Fiduciary obligations to clients
- Applicable securities laws
- Insider trading rules
- Personal trading rules
- Safeguarding of proprietary and non-public information
- Use of insider information
- Use of private information regarding a Client
- Receipt of Gifts

The Code is designed to assure that the personal securities transactions, activities and interests of ATFA's employees will not interfere with making and implementing decisions in the best interest of clients and, at the same time, allowing employees to invest for their own accounts. ATFA Code also contains written policies reasonably designed to prevent the unlawful use of material non-public information by ATFA or its employees. All employees are required to sign an Annual Acknowledgement acknowledging they have read, understand and agree to comply with ATFA's Code of Ethics and Policies & Procedures.

Clients and prospective clients can request a copy of ATFA's Code of Ethics and Privacy Policy upon request by calling 563-582-1841, sending an email to [info@atfinancialadvisors.com](mailto:info@atfinancialadvisors.com), or by writing to ATFA at 895 Main Street, Dubuque, IA 52001.

Because ATFA's Code permits employees to invest in the same securities as clients, with some restrictions, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. However, no employee of ATFA shall prefer their own interest to that of a client's or make investment decisions based on the trading activities of clients.

Employee trading is monitored quarterly under the Code to try to reasonably prevent conflicts of interest between ATFA and clients. Employees must comply with the ATFA's procedures regarding personal securities transactions by providing the following:

- Holdings report at start of employment.
- Personal transactions reports on a quarterly basis.
- Personal holdings reports on an annual basis.

In addition, ATFA has instituted the following restrictions on employees' personal trading:

- Report all individual personal securities transactions.
- Report opening any new personal securities accounts.
- Report receipt of gifts, gratuities and non-cash compensation (including broker sponsored conferences and events), not including gifts of de minimis value (less than \$100).
- Pre-approval on investments in Initial Public Offerings, transactions with unaffiliated broker-dealers, and the purchase/sale of UABK stock.

ATFA's Chief Compliance Officer reviews all employee reportable accounts, holdings and individual personal securities reports.

## **Item 12 - Brokerage Practices**

ATFA generally determines the broker through whom securities transactions are to be affected. In selecting brokers, ATFA considers the full range and quality of a broker dealer's services including:

- best execution, clearance and settlement capabilities, taking into account: 1) trading difficulty, 2) security liquidity, 3.) commission rates, 4.) execution and error resolution
- financial strength and stability
- responsiveness to ATFA
- amount, quality and nature of the research provided

It is ATFA's policy to seek best execution available in light of the overall quality of brokerage, custodial, and research services provided to it or its clients. Best execution involves reasonably seeking the most favorable terms for a transaction under these circumstances.

### **Research and Other Soft Dollar Benefits**

Certain broker dealers who execute securities transactions for ATFA may also furnish investment research services to ATFA in exchange for the brokerage execution services. Commission payments in exchange for research services are commonly referred to as "soft dollars". Such research services are of the type allowed under the Securities Exchange Act of 1934, which provides a "safe harbor" to investment managers that use investor commission dollars to obtain investment research and brokerage services that assist the manager in performing investment decision-making responsibilities. ATFA does not receive any products or services that fall outside the safe harbor provided for in the SEC rules. ATFA considers it important to its decision making process to have access to outside research. These research services are designed to supplement ATFA's internal research and investment strategy capabilities.

Within the last fiscal year, ATFA received the following research services through soft dollar arrangements:

- Written reports on individual companies, industries, and general economic conditions
- Access to leading research analysts throughout the financial community
- Presentations made by corporations, industry experts, and economists
- Comparative performance evaluation, technical measurement services and research reports on market conditions.

- Availability of economic advice and services from recognized experts on investment matters.
- Portfolio screening tools and services providing information that assists ATFA in security selection and analysis.

Research services may be provided to ATFA by the broker-dealer directly or by third-parties through the broker-dealer.

When ATFA uses brokerage commissions to obtain research services, ATFA benefits because it does not have to pay for these separately. ATFA may have an incentive to select a broker-dealer based on its interest in receiving research services. Clients may pay higher than the lowest commission rates available in return for ATFA obtaining such research services. Research services provided by broker-dealers may be used to service all of ATFA's clients and may be used in connection with accounts other than those transacting with the broker-dealer that provides research services.

### **Brokerage for Client Referrals**

ATFA does not accept or receive client referrals from any broker dealer which the firm uses.

### **Directed Brokerage**

ATFA may accept direction from clients regarding the brokers to be used for their account. If a client elects to direct brokerage transactions to a broker other than recommended by ATFA, ATFA may not be able to obtain best execution for that client thus, the client may pay higher commissions because ATFA could not participate in the negotiation of commission rates. In addition, the client may receive less favorable prices because ATFA could not aggregate those orders with orders of other clients.

### **Trade Aggregation and Allocation**

ATFA may aggregate client transactions when possible and advantageous to clients. The aggregation of client purchase or sale orders into blocks for execution may allow ATFA to achieve more equitable, timely and efficient executions, lower per share brokerage cost and fairer prices. Clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally on a pro-rata basis. Partially filled orders of aggregated trades will be allocated pro-rata based on the initial amount, subject to certain exceptions (rounding, de minimis orders). ATFA does not receive any additional compensation as a result of aggregation.

ATFA performs investment management services for a variety of clients and the advice given, or the action taken, may vary among accounts. To the extent practical, ATFA allocates investment opportunities to each account on a fair and equitable basis relative to other similarly situated client accounts.

## **Item 13 - Review of Accounts**

Based on their investment objective, client accounts are typically assigned an investment strategy that becomes the blue print for the ongoing management of their assets. These strategies are monitored and reviewed continuously by the Chief Investment Officer of ATFA. Accounts are subject to ongoing review to ensure that each is within the guidelines set by the investment strategy in place and any restrictions placed on the account by the client. Account exceptions are reviewed and re-balanced accordingly.

Clients are contacted at least annually to determine that the current investment strategies employed by ATFA still meet their investment objectives. Additional reviews can be requested by the client or triggered by material market, economic or political events, or by changes in client's financial situation. Clients are encouraged to inform ATFA of any changes to their objectives or financial situation that might change the investment strategy ATFA employs to manage their account.

Clients will receive statements at least quarterly from their custodian that holds and maintains their investment assets. Upon request, clients may receive a quarterly performance statement from ATFA summarizing account activity, asset allocation and performance.

## **Item 14 - Client Referrals and Other Compensation**

ATFA may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to ATFA. Whenever ATFA pays a referral fee, ATFA will require the Solicitor to provide the prospective client with a copy of our Firm Brochure and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with ATFA;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- As disclosed in Item 5, fees paid by the client to ATFA may be higher than ATFA's normal fee

The total advisory fee paid by the client may be determined by the Solicitor recommending ATFA services to the client. This creates a conflict of interest and an incentive for the Solicitor to recommend ATFA's services since the Solicitor will receive a portion of the total fee charged and because they can set the total fee the client will pay annually, of which, the solicitor will receive a portion. For these reasons, clients may pay higher fees to ATFA and the solicitor than other clients receiving similar services together or separately.

ATFA does not accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 – Custody**

ATFA does not accept or maintain physical custody of client assets. Funds typically are deposited with either a qualified brokerage firm or bank.

For purposes of Rule 206(4)-2 of the Investment Advisers Act, we have custody of client assets for two reasons.

- We have the authority to instruct the custodian to debit client accounts for investment management fees.
- We are an affiliate to ATSB, a qualified custodian, and we share employees and office space.

ATSB is a related custodian which undergoes audits required under the Investment Advisers Act of 1940 to ensure its safekeeping procedures are adequate.

ATFA has established relationships with Fidelity Investments and ATSB, an affiliated entity of ATFA. (See Item 10, Other Financial Industry Activities and Affiliations) Unless the client directs ATFA otherwise, ATFA will recommend the client maintain their accounts at either Fidelity or ATSB. The client will need to enter into a separate custodial agreement with the custodian they use.

Qualified custodians safeguard your assets, settle trades, collect dividends and interest, and process cash transactions on client's behalf. The records maintained by the custodian are the official record of a client's account for tax reporting and other purposes. Clients should receive at least quarterly statements from their custodian and should review these carefully. Clients should also review custodial statements with any reports provided by ATFA. ATFA's statements may vary from custodial statements based on different accounting procedures, reporting dates, or security pricing. While both are intended to be accurate, clients should be aware of the potential differences that might appear.

## **Item 16 - Investment Discretion**

Clients opening discretionary accounts are required to sign an Investment Advisory Agreement that, among other things, gives ATFA the discretion to select the identity and amount of securities to be bought or sold in the clients' account without prior approval. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objective for the particular client account.

Detailed in Item 4 above, clients may impose restrictions on investing in certain securities or types of securities. Investment guidelines and restrictions must be provided to ATFA in writing. ATFA reserves the right to decline to open or maintain a client account if restrictions prevent it from properly managing the account or forces ATFA to deviate from their investment philosophies.

If an order error occurs by ATFA it is ATFA's policy to take action to make the clients account whole.

## **Item 17 - Voting Client Securities**

ATFA has adopted policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with the Firm's fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. The conditions that govern ATFA's authority to vote proxies on behalf of clients are contained in the investment advisory agreement. If clients request to vote proxies on their behalf, they will receive proxy related information directly from their custodian.

ATFA has adopted pre-determined proxy voting guidelines to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. Under the guidelines, ATFA may delegate to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on behalf of ATFA. ATFA may also vote a proxy contrary to the guidelines if ATFA determines that such action is in the best interest of our clients.

Conflicts of interests relating to proxies will be handled in various ways depending on the type and materiality. Generally, where the guidelines outline ATFA's voting position, voting will be in accordance with ATFA's guidelines. Where the guidelines outline ATFA's voting position to be determined on a case by case basis for such proxy, or such proxy is not listed in the guidelines, then ATFA will choose either to vote the proxy in accordance with the voting recommendation of a non-affiliated third party vendor, or will attempt to have client vote the proxy. The method selected by ATFA will depend on the facts and circumstances of each situation and the requirements of applicable law.

Clients can also obtain a copy of the ATFA's proxy voting policy and procedures and/or information on how proxies were voted for their accounts upon request from Scott Steffen, Chief Compliance Officer, by emailing [info@atfinancialadvisors.com](mailto:info@atfinancialadvisors.com) or by mail at 895 Main Street, Dubuque, IA 52001.

## **Item 18 - Financial Information**

Because ATFA has discretionary authority over client accounts, it is required to disclose any financial condition that is reasonably likely to impair ATFA's ability to meet contractual commitments to the client. At this time, ATFA has no such issue to report and has not been the subject of a bankruptcy proceeding.