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FORM ADV PART 2A BROCHURE

Affiance Financial, LLC ("Affiance Financial") is an investment adviser registered with the Minnesota Department of Commerce. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the United States Securities and Exchange Commission ("SEC") or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Affiance Financial. If you have any questions about the contents of this Brochure, please contact us at (952) 544-9818 or affiancemail@affiancefinancial.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Affiance Financial is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes – Item 2

On March 10, 2016 the following updates were made:

1. **Item 4** Advisory Business was updated to remove monitoring services from our menu of services. Additionally, we also updated our assets under management disclosure.
2. **Item 5** Fees and Compensation was updated to remove monitoring services and the associated fees.
3. **Item 13** Review of Accounts was updated to add Marc Usem as an approved reviewer.
4. **General Update:** For consistency and clarity purposes, we replaced all references to Portfolio Management Services with Investment Advisory Services.

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Advisory Business – Item 4

In this Item 4, we provide information about our firm and our owners and an overview of services that we offer. This includes a general description of how we can tailor our services to a client's individual needs. See Item 5 for information regarding fees.

Our Firm

Affiance Financial, LLC ("Affiance Financial"), a Minnesota limited liability company, is a registered investment adviser based in St. Louis Park, Minnesota. Affiance Financial has been in business since December 27, 2000. Steven M. Lear, Andrew B. Fishman and Seth A. Meisler are the current owners of Affiance Financial.

Our Services

Affiance Financial provides two general classes of services, Financial Planning, and Investment Advisory Services. We offer additional services, which can be used to complement our basic services. In consultation with our client, we can customize our basic and additional services to meet our clients' individual and family needs. Our investment advisory services are rendered by our employees and officers who are registered investment adviser representatives. We refer to them, individually as our "Associated Person" and collectively as our "Associated Persons".

Financial Planning Services

Affiance Financial, offers broad based financial planning services to its clients through our financial planning program, The Affiance Advantage. We customize our financial planning services based on client needs and circumstances. For a given client this process may include, but is not limited to, some or all of the following:

- Initial Client Engagement
- Cash Flow Planning
- Insurance and Risk Management Planning
- Employee Benefits Planning
- Investment Planning
- Tax Planning Retirement Planning
- Retirement Planning
- College and Special Occasion Planning
- Estate and Legacy Planning

As an extension of the financial planning process we typically meet with clients at pre-determined intervals, typically: monthly, quarterly, semi-annually, or annually (or upon request of client) to help clients monitor and assess their ongoing needs and goals and adapt their strategies in response. Our typical review meetings may include all or some of the following:

Complementary Services

Affiance Financial offers a wide range of complementary services. Complementary services include, but are not limited to the following:

- Planning During or After a Divorce
- Creating a Budget
- Planning for Distributions
- Assistance with Goal Planning
- Analyzing Insurance Plans
- Reviewing/Updating Legacy Plans
- Establishing/Revising Business Plans
- Negotiating Employment Contracts
- Negotiating Buy/Sell Agreements

- Providing Education, Strategy and Advice for Children
- Planning/Facilitating Family Meetings
- Conducting Educational Workshops
- Discuss Current Economic Conditions and Forecasts

Investment Advisory Services

Our firm offers discretionary and non-discretionary investment advisory services to our clients. Discretionary investment management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Non-discretionary investment management service means that we must obtain your approval prior to placing any transactions in your account.

Our investment advice is tailored to meet our clients' investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk to take with your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice. Clients may impose restrictions on investing in certain securities or types of securities.

Affiance Financial mainly uses equity securities, corporate debt securities, municipal debt securities, certificates of deposit, exchange traded funds, mutual funds, closed end funds, U.S. government securities and options in its Investment Advisory Programs. In limited cases, we may also recommend investments in limited partnerships investing in real estate, REIT's, oil and gas.

Client accounts are continuously monitored and formally reviewed at least annually by the planner assigned to the client. The review process will include: comparing the current asset allocation to the recommended asset allocation and evaluating the need for rebalancing, manager replacement or tax efficient management. Additional account reviews may occur due to any of the following circumstances: a more frequent review and monitoring engagement with the client, a specific client request, deposit or withdrawal of client funds, or a change in the client's stated goals or objectives.

We recommend that you review the statement(s) you receive from the qualified custodian. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

As of December 31, 2015, Affiance Financial manages client assets in the amount of \$393,057,115 on a discretionary basis and \$39,856,697 on a non-discretionary basis.

Advisory recommendations are based on the client's financial information and situation disclosed to us at the time the services are provided. We may make certain assumptions with respect to interest and inflation rates and the use of past trends and performance of the market and economy. **Past performance is in no way an indication of future performance. Clients must notify us promptly of any changes in their financial situation, goals, objectives, or needs.**

Fees and Compensation – Item 5

In this Item 5, we provide general information about how we charge for the services that Affiance Financial offers. The form, timing and amount of our compensation are determined by the type and amount of services we provide to our clients. We enter into written agreements with our clients prior to performing any services. Our basic fee system is explained below.

Fee Structure

Initial Client Engagements may be subject to a one-time fee ranging from \$500 to \$15,000, based on time and complexity. The initial fee provides compensation to Affiance Financial for time and resources necessary to provide the following initial services:

- Meeting(s)
- Meeting notes
- Goal setting
- Education
- Data organization and data entry
- Financial reports
- Enhancing the following skills
 - Problem solving
 - Communication style
 - Decision making

The fee for Initial Client Engagements is payable upon signing a Financial Planning Agreement. Affiance Financial also charges fixed fees for Financial Planning, and Complementary Services. Fixed fees, excluding those for Initial Client Engagements, are payable upon delivery of the service. Our Investment Advisory Services are charged as a percentage of assets under management and are payable on a quarterly basis, in advance. If either party terminates the agreement, any unearned portion of any fees paid in advance would be returned to the client upon termination. See additional details below for additional information.

All fees are negotiable. The exact fees charged to an individual will be contained in the client's agreement with Affiance Financial.

Fixed Fee Services

Financial Planning Services. Affiance Financial charges a fixed fee for financial planning services, which typically falls between \$500 and \$15,000 per plan. The total fee is based on the complexity of the plan and the time required for providing the services. Fees are invoiced to the client and payable upon delivery of the service.

Complementary Services. Affiance Financial charges fixed fees for Complementary Services. Fixed fees range from \$100 to \$5,000 per service and are invoiced and payable upon delivery of the Complementary Service.

Fees as a Percentage of Assets Under Management

Affiance Financial charges an asset-based fee for Investment Advisory Services. Our fees are payable in advance on a quarterly basis and based upon the market value of the assets on the last day of the previous quarter. The first period's fees will be calculated on a pro-rata basis based on the number of days remaining in the service period. If the agreement is terminated prior to the end of a service period, our fee will be pro-rated through the date of termination and any remaining balance will be refunded to the client within 30 business days.

Our fees are negotiable for Investment Advisory Services, but generally will follow the following fee schedules:

Investment Advisory Services. Our annual asset-based fees for Investment Advisory Services are based upon the following blended fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$500,000	1.50%
\$ 500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,500,000	1.10%
\$2,500,001 - \$5,000,000	1.00%
Accounts over \$5,000,000	0.85%

Fees are charged as described above and are not based on a share of capital gains or capital appreciation of the client's investments.

Payment of Fees

Affiance Financial will either invoice the client directly for management fees or payment will be made by the qualified custodian. We will only receive payment from the custodian if the client supplies written authorization permitting the fees to be paid directly from the account. Affiance Financial will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy. Affiance Financial will receive a duplicate copy of the statement that was delivered to the client.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of Investment Advisory Services, the first pay period's fees will be calculated on a pro-rata basis. The Investment Management Agreement between Affiance Financial and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. Affiance Financial's annual fee will be pro-rated through the date of termination and any remaining balance will be refunded to the client within 30 business days.

Additional Fees and Expenses

Affiance Financial advisory fees are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the client should review both the fees charged by the funds and the fees charged by Affiance Financial to fully understand the total amount of fees to be paid by the client and to thereby evaluate the management services provided.

Compensation for the Sale of Securities or Other Investment Products

Certain our employees and officers (Associated Persons) are registered representatives, insurance agents, and/or investment adviser representatives with Cetera Advisor Networks LLC ("Cetera"), a registered broker/dealer. These Associated Persons may receive commission-based compensation for buying and selling securities in their capacity as a registered representative. These may include 12b-1 fees, service fees for the sale of mutual funds or annuity products. This commission compensation is separate from Affiance Financial's advisory fees.

Receiving commission-based compensation in addition to providing investment advice to the same client presents a conflict of interest. It gives an incentive for the Associated Person to recommend investment

products based on commission compensation rather than client's needs. Affiance Financial has policies and procedures in place to monitor all client transactions. Affiance Financial has adopted a code of ethics that obliges all associated persons to deal fairly with all clients when taking investment action and to uphold their fiduciary duty and to put the client's interest first. Where Affiance Financial finds an Associated Person has not acted in the best interest of the client, Affiance Financial may require the Associated Person to cancel the transaction. Alternatively, Affiance Financial may deduct the commission costs from the advisory fee paid by the client. In any event, all client transaction costs will be disclosed to the client.

Our clients have the option to purchase investment products that Affiance Financial recommends through other brokers and agents who are not Affiliated with Affiance or Cetera.

Total Anticipated Compensation

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives, insurance agents, and/or investment adviser representatives with Cetera. In these capacities at Cetera, Associated Persons expect to receive advisory fees, commission and bonuses. These fees and commissions are in addition to compensation received from Affiance Financial.

Definition of Terms

Distribution Fee: A distribution fee is a fee one must pay in a 12B-1 Plan. A 12B-1 plan is a mutual fund that, instead of a load (or sales fee), annually charges shareholders a small percentage of the fund's market value, which is called a 12B-1 fee. Instead of assessing a fee when buying or selling shares as most mutual funds do, 12B-1 fees are deductions from the fund's market value per shareholder. Usually a 12B-1 fee is less than 1% of the market value.

Sales Charges: A commission paid by an investor on his or her investment in a mutual fund. The sales charge is paid to a financial intermediary (broker, financial planner, investment adviser, etc.) for selling the fund and is intended to provide compensation for the financial salesperson's efforts in assisting clients in selecting the mutual funds best suited to their needs.

Deferred Sales Charge: A deferred sales charge is the fee paid when a shareholder sells shares in a mutual fund within a certain number of years. That is, when an investor initially buys a share in a back-end load fund, he/she agrees to pay a third party, usually a financial institution or broker, a certain percentage of the share's value if he/she decides to sell it within five to 10 years, depending on the specific nature of the agreement. The deferred sales charge usually declines by the year until the maximum number of years is reached.

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

Affiance Financial does not charge performance based fees. See Item 5 for fee information.

Types of Clients – Item 7

Affiance Financial offers investment advisory services to individuals, pension and profit sharing plans, charitable organizations, corporations or other businesses

Affiance Financial typically requires a minimum investment of \$250,000 to open and maintain an advisory account. At our sole discretion we may waive this requirement. We may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

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

Affiance Financial primarily employs fundamental analysis when providing clients with investment advice. Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

Affiance utilizes a top-down macroeconomic approach. Generally, this means that big picture events in the economies worldwide play a role in determining the client's asset allocation range. Determining the final asset allocation is a personal process largely dependent on the client's time horizon, liquidity needs and investment objective. Each investment strategy is guided by this methodology but remains unique to the individual. Clients may elect to place investment restrictions or further explain their investment objective on their client profile form. In general, the client will select a primary investment objective.

Definition of Investment Objectives

Conservative: A conservative portfolio generally has an emphasis on generating a stable level of current income. Future capital appreciation is a secondary objective. Modest annual principal fluctuation is expected and acceptable. Portfolio will consist of a determined allocation among equities, fixed income, alternatives and cash, with a primary emphasis on fixed income. **General Allocation:** 60% fixed income; 40% equity and alternative investments. The general allocation is for guidance purposes only. **Types of Securities:** Mutual Funds, Exchange Traded Funds, Closed End Funds, Stocks and Bonds. Allocation subject to change at discretion of Adviser dependent upon market conditions.

Moderate: A moderate portfolio generally has an emphasis on both current income and future capital appreciation. Moderate portfolios typically exhibit moderate growth of capital while dampening volatility. Principal risk and fluctuation is expected and acceptable over the intended investment time horizon (at least 5 years). Portfolio will consist of a determined allocation among equities, fixed income, alternatives and cash. **General Allocation:** 40% fixed income; 60% equity and alternative investments. The general allocation is for guidance purposes only. **Types of Securities:** Mutual Funds, Exchange Traded Funds, Closed End Funds, Stocks and Bonds. Allocation subject to change at discretion of Adviser dependent upon market conditions

Aggressive: An aggressive portfolio generally has a primary emphasis on future capital appreciation. Income is a secondary objective. Principal risk and fluctuation is expected and acceptable over the intended long-term

investment time horizon (in excess of 5 years). Portfolio will consist of a determined allocation among equities, fixed income, alternatives and cash, with a primary emphasis on equities. **General Allocation:** 20% fixed income; 80% equity and alternative investments. The general allocation is for guidance purposes only. **Types of Securities:** Mutual Funds, Exchange Traded Funds, Closed End Funds, Stocks and Bonds. Allocation subject to change at discretion of Adviser dependent upon market conditions

Deviations may occur relative to account allocations during any specific short-term period (6 months or less) due to market conditions or planner perceived and/or anticipated market developments. Of course, there can be no assurances that any such perceived and/or anticipated market developments will occur, be correct or prove profitable.

Affiance Financial employs long-term, buy-and-hold philosophies and approaches in their investment selection and implementation strategies. Recommendations provided are based on publicly available reports, analysis, research materials, computerized asset allocation models, and various subscription services.

The investment planning service provided by Affiance Financial will vary depending on each client's specific financial situation, goals, client profile and the decisions made by the planner assigned to the client. Affiance Financial believes that independence in investment decision making is paramount and thus each planner incorporates their own individual beliefs into the investment strategy. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, clients should fully understand the nature of the contractual relationships into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. Clients should carefully consider whether the strategies employed will be appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and clients should familiarize themselves with the risks involved in the particular market instruments they intend to invest in.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guarantee to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are

determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Futures and Options: Options and futures contracts on securities carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Frontier Asset Management

Affiance Financial has hired Frontier Asset Management to provide consulting services on investment topics and to become part of the Investment Committee. Affiance Financial will compensate Frontier Asset Management for services.

Disciplinary Information – Item 9

Affiance Financial and its officers and employees do not have legal or disciplinary events to disclose.

Other Financial Industry Activities or Affiliations – Item 10

Andrew B. Fishman, Steven M. Lear and Seth Meisler, Managing Members, and other Associated Persons of the firm are separately licensed as registered representatives with Cetera Advisor Networks LLC, Member FINRA/SIPC, a securities broker-dealer and registered investment adviser. Mr. Fishman, Mr. Lear and Mr. Meisler also act as investment adviser representatives of Cetera Advisor Networks. Cetera is under separate ownership from any other named entity.

Mr. Fishman and Mr. Lear, and other Associated Persons of the firm are also licensed as insurance agents and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities among others. Mr. Fishman and Mr. Lear earn commissions for these activities.

Affiance Financial expects that clients to whom it offers advisory services may also be clients for whom Mr. Fishman, Mr. Lear and Mr. Meisler act as securities and/or insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate, distinct from and in addition to the commissions earned by Mr. Fishman, Mr. Lear and Mr. Meisler for placing the client in securities and/or insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for securities and insurance services and may use the securities and/or insurance brokerage firm and agent of their choice.

These arrangements represent a conflict of interest due to the receipt of advisory fees from both Affiance Financial and Cetera; and commission compensation from Cetera. The receipt of commissions presents a

conflict of interest because Associated Persons have an incentive to effect securities and insurance transactions for the purpose of generating commissions rather than solely based on your needs. Affiance Financial has policies and procedures in place to monitor all client transactions. Where Affiance Financial finds an Associated Person has not acted in the best interest of the client, Affiance Financial may require the Associated Person to cancel the transaction. Alternatively, Affiance Financial may deduct the commission costs from the advisory fee paid by the client. In any event, all client transaction costs will be disclosed to the client.

Mr. Fishman, Mr. Lear and Mr. Meisler devote the majority of their time to their capacities at Affiance Financial.

Mr. Lear is the majority owner of Affiance Coaching Inc. (Affiance Coaching). Affiance Coaching offers client coaching services through a two-step process. First, clients are evaluated with the Kolbe Wisdom™ system, to test for natural instincts. Then, Affiance Coaching uses this information to help clients better understand themselves and shape their expectations and behavior. Affiance Financial and Affiance Coaching are not affiliated with Kolbe Corp.

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

Description of Our Code of Ethics

Affiance Financial has adopted a Code of Ethics (the “Code”), pursuant to SEC Rule 204, to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Affiance Financial’s policies and procedures developed to protect client’s interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement to engage in personal investing that is in full compliance with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

Clients can request a copy of our Code of Ethics by calling Eric Unger at (952) 253-2588, emailing him at eric.unger@affiancefinancial.com or mailing us a request at our principal office address.

Personal Trading Practices

At times Affiance Financial and/or its IARs may take positions in the same securities as clients, which may pose a conflict of interest with clients. Affiance Financial and its IARs will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices – Item 12

Suggestion of Broker

Affiance Financial does not provide direct asset management services. However, Associated Persons of the firm may be registered representatives or investment adviser representatives of Cetera. Clients are under no obligation to purchase or sell securities through Affiance Financial's Associated Persons, in their separate capacities as Registered Representatives of Cetera.

We recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") for our Investment Advisory Program. TD Ameritrade is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Affiance Financial receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

Research and Other Soft Dollar Benefits

Affiance Financial does not receive research or other products from broker-dealers or a third parties in connection with client securities transactions. However, Associated Persons of Affiance Financial, in their separate capacities with Cetera, may receive benefits from Cetera, Pershing, Cetera Investment Services, LLC and TD Ameritrade for research services that include reports, software, and institutional trading support.

Clients should refer to the Form ADV Brochure (or other disclosure document) provided by Cetera for more information about their benefits.

In selecting a broker dealer based on discretionary authority, Affiance Financial will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, Affiance Financial may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

Directed Brokerage

Associated Persons who are registered representatives of Cetera are subject to FINRA Conduct Rule 3040 that restricts these registered individuals from conducting securities transactions away from Cetera unless Cetera provides the representative with written authorization. Therefore, Affiance Financial reserves the right to not accept a client account if the client wishes to select a broker or dealer/custodian other than Cetera or another broker or dealer/custodian that has not been approved by Cetera. Due to the nature of its advisory services, Affiance Financial may not have the authority to negotiate commissions or obtain volume discounts, although Affiance Financial will attempt, to achieve best execution of transactions.

Trade Aggregation

While individual client advice is provided to each account, client trades may be executed as a block trade. Affiance Financial encourages its existing and new clients to use TD Ameritrade. Only accounts in the custody of TD Ameritrade would have the opportunity to participate in aggregated securities transactions. All trades using TD Ameritrade will be aggregated and done in the name Affiance Financial. The executing broker will be informed that the trades are for the account of Affiance Financial's clients and not for Affiance Financial itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and Affiance Financial will not aggregate a client's order if in a particular instance Affiance Financial believes that aggregation would cause the client's cost of execution to be increased. TD Ameritrade will be notified of the amount of each trade for each account. Affiance Financial and/or its Associated Persons may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

Review of Accounts – Item 13

Client accounts are continuously monitored and formally reviewed at least annually by the planner assigned to the client (Steven Lear, Andrew Fishman, Seth Meisler, Phillip Novisky, Matthew Berhow, Omer Abramovich, Kyle Berg, Marc Usem, and Eric Unger). The review process will include: comparing the current asset allocation to the recommended asset allocation and evaluating the need for rebalancing, manager replacement or tax efficient management. Additional account reviews may occur due to any of the following circumstances: a more frequent review and monitoring engagement with the client, a specific client request, deposit or withdrawal of client funds, or a change in the client's stated goals or objectives.

Affiance Financial does not provide ongoing reviews of clients' accounts once the financial planning engagement has been completed, unless otherwise specifically engaged to do so by the client.

Affiance Financial prepares reports for clients at every scheduled review meeting. The frequency of the meeting typically ranges from monthly to annually and the client can elect to have a hard copy of the reports for their records at no additional charge. Written reports are delivered to clients on a quarterly basis at no additional charge. Quarterly reports may include a message from Affiance Financial, beginning and ending market value, cash flows, performance, and portfolio composition. Accounts held through Cetera Advisor Networks are included as a convenience. Quarterly reports may reflect transactions in the process of settlement, whereas the statement from the qualified custodian may not. As a result minor variations in account and/or position values may occur. Periodic reports are furnished to investment advisory clients and are not furnished to financial planning clients.

Client Referrals and Other Compensation – Item 14

As discussed under Item 12. above, Affiance Financial participates in TD Ameritrade's institutional customer program and Affiance Financial may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Affiance Financial's participation in the program and the investment advice it gives to its clients, although Affiance Financial receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research related products and tools
- Consulting services
- Access to a trading desk serving Affiance Financial participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Affiance Financial by third party vendors.
- TD Ameritrade may also have paid for business consulting and professional services received by Affiance Financial's related persons.

Affiance Financial also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include subscription to Orion Advisor Services valued at \$50,000. Orion Advisor Services provides portfolio reporting services to Affiance Financial and all of Affiance Financial's clients. TD Ameritrade provides the Additional Services to Affiance in its sole discretion and at its own expense, and Affiance does not pay any fees to TD Ameritrade for the Additional Services. Affiance Financial and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Affiance Financial's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Affiance, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Affiance Financial's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Affiance, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Affiance may have an incentive to recommend to its Clients that the assets under management by Affiance be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Affiance Financial's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including the duty to seek best execution of trades for Client accounts.

Some of the products and services made available by TD Ameritrade through the program may benefit Affiance Financial but may not benefit its client accounts. These products or services may assist Affiance Financial in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Affiance Financial manage and further develop its business enterprise. The benefits received by Affiance Financial or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Affiance Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Affiance Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Affiance Financial's choice of TD Ameritrade for custody and brokerage services.

Affiance Financial may conduct client appreciation events where product vendors sponsor all or a part of the event expenses. This situation may present a conflict of interest since Associated Persons of the firm, acting in their separate capacities as registered representatives and insurance agents, may have an incentive to recommend products offered by one of these sponsors.

Solicitors

Affiance Financial does not engage solicitors or otherwise compensate third parties for client referrals.

Custody – Item 15

Affiance Financial is deemed to have custody of client funds because of the fee deduction authority granted by the client in the Advisory Agreement. Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy.

Investment Discretion – Item 16

Generally, Affiance Financial offers Investment Management Services on a discretionary basis. Clients must grant discretionary authority in the client Advisory Agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and does not require advance client approval. Clients may limit our discretionary authority by giving us written instructions.

Voting Client Securities – Item 17

Affiance Financial does not have the authority to vote proxies on behalf of clients. Clients will receive their proxies directly from the custodian or transfer agent. We will forward your proxies to you in the event we receive them. Questions about proxies may be made via the contact information on the cover page.

Financial Information – Item 18

Affiance Financial does not have financial circumstances to report and has not been the subject of a bankruptcy petition.

Requirements of State-Registered Advisors – Item 19

This section is intentionally left blank- Our firm is SEC registered.

Miscellaneous

Class Action Lawsuits

Affiance Financial has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

Privacy Policies

Affiance Financial views protecting its clients' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Affiance Financial does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law or consented to by the client. In the course of servicing a client account, we may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

We restrict internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. We maintain physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has been the firm's policy to not sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, the firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. Clients who have questions on this policy, may contact Eric Unger at (952) 253-2588 or eric.unger@affiancefinancial.com.