

Item 1. Introduction

Anderson & Anderson Advisory, L.L.C. ("Anderson & Anderson" "we" "us" and "Advisor") is a Washington limited liability company registered as an investment advisor under the laws of the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

We offer a wide range of investment advisory services to our Clients. Investment supervisory services involve providing advice to Clients on the most effective investment strategies given the particular Client's personal and business goals. Once the Client agrees to an investment strategy, we take the steps necessary to implement such strategy. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or e-mail) at least annually to discuss your portfolio.

We also provide financial planning services to both individuals and businesses. We prepare a written financial plan for all financial planning Clients. The plan includes gathering all information necessary to provide a Client with appropriate and agreed upon services, which may include one or more of the following: Budgeting and cash flow planning, disability planning and income protection, debt management, estate planning, business succession planning, retirement planning and investment planning. The plan considers all Client assets, liabilities, goals and objectives.

We also provide consulting services to family law attorneys. Those services include research, analysis and valuations of retirement plans and other assets subject to divorce proceedings.

Anderson & Anderson does not manage Client accounts on a discretionary basis. Clients grant us only non-discretionary authority to execute its investment recommendations in accordance with Advisor's Statement of Investment Policy (or similar document used to establish Client's objectives and suitability). Non-discretionary authority requires that we obtain a Client's prior approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisors or third-party money managers, such as SEI Investments, to their account.

We do not have a minimum account size to open or maintain an account.

Conversation Starter: We encourage you to ask our financial professionals these key questions about our investment services and accounts:

- (i) *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- (ii) *How will you choose investments to recommend to me?*
- (iii) *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

We provide investment advisory services for a fee based on a percentage of assets under management. Our fee is provided in your Investment Advisory Agreement based upon a maximum fee schedule of 1.00% regardless of the amount of assets under management. Fees are generally negotiable. The fee is calculated quarterly, in arrears, and will be equal to the respective percentage per annum based on the market value of your account(s) on the last trading day of the previous quarter.

We provide our financial planning and consulting services at an hourly or fixed fee rate. Hourly consulting or financial planning and consulting rates are offered at a range of \$75 to \$250 per hour. Fixed fee projects are estimated to range from \$500 to \$2,500. Pricing is developed on a project-by-project basis for each Client, depending on the complexity and scope of work to be performed.

The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly regardless of whether we buy or sell securities within that quarter. All brokerage commissions, stock transfer fees, mutual fund expenses, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to Advisor.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter: We encourage you to ask us any questions you may have regarding our fees or how cost from third parties such as custodians or mutual funds affect your account. For example, start a conversation by asking, "Help me understand how these fees and costs might affect my

investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

Example 1: Your account value goes up, and while the management fee percentage may stay the same, the total compensation you pay us goes up proportionately. Example 2: Your account value goes down, but you still must pay a management fee proportional to your assets under management.

While the principal and core business of our firm is that of a fee-only registered investment advisor and provider of financial planning services, all of our investment advisor representatives are currently registered representatives of Geneos Wealth Management, Inc., a FINRA member broker-dealer. In this capacity, our advisor representatives may recommend the purchase and sale of certain securities to Clients. Additionally, John Anderson is licensed to sell insurance.

Such securities recommendations and insurance business will only be made in instances when is necessary to meet a Client's specific investment needs, and will result in the advisor representative receiving a commission or another form of compensation in connection with such sales to Clients.

The receipt of commissions by any individuals associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of investment advisory clients. As such, we will only transact securities and insurance services with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to us are appropriate. Clients are informed that they are under no obligation to use any individual associated with Anderson & Anderson for insurance or brokerage services. Clients may use any insurance brokerage firm, agent, or broker-dealer they choose.

Conversation Starter: If you have any questions regarding conflicts of interests, please feel free to ask us. You can begin a conversation by asking, "How might your conflicts of interest affect me, and how will you address them?"

How do your financial professionals make money?

Anderson & Anderson is "fee-based" meaning that our dually licensed financial professionals receive income from advisory fees we charge to our clients and also receive commissions from third parties for insurance product sales and/or securities products sold through an unaffiliated broker-dealer.

Our financial professionals are compensated based upon the amount of clients they serve, the assets under management, and revenue derived from clients.

For more detailed information, including fee schedules, conflicts of interest, and other disclosures are available in our ADV Part 2A Firm Brochure, which is available at: <https://adviserinfo.sec.gov/>.

Item 4. Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. We have no legal or disciplinary actions in our history as a registered investment advisor. Regardless, we encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research any of our financial professionals.

Conversation Starter: In addition, feel free to ask: "As a financial professional, do you have any disciplinary history? For what type of conduct?"

Item 5. Additional Information

You can find additional information regarding Anderson & Anderson Advisory, L.L.C. and receive a copy of this relationship summary by contacting Max Anderson at (360) 425-7447.

We are always available to answer any of your questions.

Conversation Starter: If you do have any concerns, please let us know by asking the following questions: "Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"