

## Introduction

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Smith Financial Investment Advisors, Inc. (S.F.I.A.) is an investment adviser registered with the Securities and Exchange Commission ("SEC"). We believe it is important for you to understand how fees and services of advisory and brokerage firms differ so you can determine which type of account or service is right for you. There are various free and simple tools available to evaluation advisory firms and financial professionals at [www.investor.gov/crs](http://www.investor.gov/crs). This website also provides education materials about investment advisors, broker-dealers, and investing in general.

## What investment services and advice can you provide to me?

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As an investment advisor, Smith Financial offers investment advisory services to retail investors. Our advisory services include investment supervisory services and financial planning services. We provide investment supervisory services for an ongoing fee calculated on the value of your account. S.F.I.A. may provide financial planning services for a fee instead of or in addition to our ongoing management fee, which we disclose in advance. We start each client relationship with a series of consultative sessions to discuss your financial situation, focusing on your investment and other financial goals, your risk tolerance, your time horizon, any investment preferences you have, and our investment strategies. We then tailor an investment policy and portfolio for you. We will regularly monitor your investments on a continuous basis as part of our standard services. Please refer to Item 4 of our ADV Part 2A for more detailed information. We manage accounts on a discretionary basis, which means we do not need to call you when buying or selling investments in your account. You will sign an investment management agreement and limited power of attorney giving us this trading authority. This agreement will remain in place until you or we terminate our advisory relationship. We also manage accounts on a non-discretionary basis, which means that you make the ultimate decision regarding buying or selling investments in your account. Please refer to Item 16 of our Form ADV Part 2 for further information. We do not limit our advice and services to proprietary products or a limited menu of products or investments, and we do not have a minimum account size requirement. Please refer to Item 7 of our Form ADV Part 2A for further information.

### Questions to Ask Us:

- *Given my financial situation, should I choose an investment advisory service? Why or Why not?*
- *How will you choose investments for me?*
- *What is your relevant experience, including your licenses, education, and other qualifications/ What do these qualifications mean?*

## What fees will I pay?

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Fees and costs affect the value of your account over time. Our fees are negotiable, but only at our discretion, and vary depending on certain factors. Please ask our representative to give you a personalized information on the fees and costs you will pay. We charge an annual management fee of 1% on the first \$1,000,000, then 0.50% on the next \$1,000,000, then 0.40% on the next \$1,000,000, and then 0.25% on assets in excess of \$3,000,000, unless we have agreed to an alternative schedule with you. You will pay this ongoing management fee in advance in four quarterly installments and where available, directly from your account. At the end of each quarter, we charge an amount equal to one-quarter of the calculated annual fee. Our incentive is to increase the value of your account over time, which increases our fees over time. Fees for other financial, estate and insurance planning services are generally flat fees, payable after work is complete unless otherwise agreed. We have no standardized fee schedule; fees are negotiated based on factors such as complexity of work, number of tasks and time required.

The broker-dealer ("custodian") that holds your assets can charge you a transition fee when we buy or sell an investment for you. These transaction fees are in addition to our advisory fee. You could also pay fees to the custodian of and/or for maintaining your account. Many investments, such as mutual funds and exchange traded funds charge additional fees (called an "expense ratio") that will reduce the value of your investments over time.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Please refer to Item 5 of our Form ADV Part 2a.

*Questions to Ask Us:*

- *Help me understand how these fees and costs might affect my investments. If I give you a \$100,000 to invest, how much will go to fees and costs, and how much will be invested for you?*

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 interests 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.

S.F.I.A.'s revenue comes solely from the advisory fees our clients pay us. We have an incentive to increase the amount of investments we manage and that could bias our advice. For example, we might be in favor of keeping money in your managed portfolio rather than recommending that you pay off a debt or make investments that we do not manage. Our standard advice, however, will be that mortgages or other debt that carries an interest rate higher than the safe fixed-income investments in your portfolio should be paid down or avoided. For additional information on conflicts of interest, please see our Form ADV Part 2A.

*Questions to Ask Us:*

- *How might your conflicts of interest affect me, and how will you address them?*

How do your financial professionals make money?

Aaron receives a fixed salary each month, along with periodic bonuses. Rick receives an annual salary and additional profits of the company as owner of S.F.I.A. They also can receive commissions when clients purchase insurance products purchased through our firm (life, disability, and long-term care), which can impact their recommendations to you. Such commissions are paid to them by insurance carriers, not by the client. Clients are not required to purchase insurance from them. If you use Aaron Smith Law Services for legal work, Aaron will receive compensation for that.

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

Yes, our firm and our financial professionals do have a legal and/or disciplinary history. Please visit [www.investor.gov/crs](http://www.investor.gov/crs) for a free search tool to research our firm and our professionals.

*Questions to Ask Us:*

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

You can find additional information about our investment advisory services on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for CRD #154022. You may also contact our firm at 765-459-4111 x301 or x303 to request a current copy of our Form ADV Part 2 or an up-to-date Form ADV Part 3, this relationship summary.

*Questions to Ask Us:*

- *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?*

## Exhibit - Changes

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Since the last filing of this Form ADV Part 3, dated June 15, 2020, we have updated disclosure regarding where to find additional information and conflicts of interest related to the compensation structure of our financial professionals.