



Alex. LaBrunerie & Co., Inc.

**FORM ADV PART 2A – FIRM BROCHURE**  
**MARCH 14, 2024**

**ALEXANDER LABRUNERIE & CO., INC.**  
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This brochure provides information about the qualifications and business practices of Alexander LaBrunerie & Co., Inc. ("LaBrunerie"). If you have any questions about the contents of this brochure, please contact us at 573-449-5313. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Alex LaBrunerie & Co., Inc. is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about LaBrunerie is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for LaBrunerie is 117153.

## ITEM 2 – MATERIAL CHANGES

### SUMMARY OF MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Our last annual update was dated March 3, 2023; there have been the following material changes.

- Item 4. Advisory Business. The ownership structure has change to Alexander LaBrunerie is 73% owner. Other owners include Leann Knuth, and Leslie Wilbers and Bret Rodabaugh, all 9% owners.
- Item 5. Fees and Compensation. The Financial portrait fee is \$200/hour or complementary if Assets under management are greater than \$150,000 at time of agreement.

Currently, a free copy of our Brochure may be requested by contacting Alex LaBrunerie at 573-449-5313, or [alex@labrunerie.com](mailto:alex@labrunerie.com).

We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Alexander LaBrunerie & Co., Inc. (“AFL” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Columbia, Missouri. We specialize in investment advisory services for individuals, high-net-worth individuals, trusts, corporations and other businesses, pension and profit-sharing plans, and charitable organizations. Our Firm was founded in 1995 as a registered investment adviser. Alexander LaBrunerie is the firm’s President is a 73% owner. Other owners include Leann Knuth, Leslie Wilbers, and Bret Rodabaugh, all 9% owners.

We are committed to helping clients build, manage, and preserve their wealth and provide clarity and direction to help clients achieve their stated financial goals. We will offer an initial complimentary meeting at our discretion; however, investment advisory services are initiated only after you and AFL execute a signed Investment Advisory Agreement.

### INVESTMENT AND WEALTH MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis, including 529 Education Savings Accounts and no-load Variable Annuities. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. The client profile and investment plan guide account supervision. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various investments such as preferred stocks, commons stocks, Exchanged Traded Funds (“ETFs”), no-load or load-waived mutual funds, no-load annuities, fixed income bonds, REITS, corporate bonds, municipal bonds, money markets, CDs, U.S. Treasuries, and cash positions in accordance with their stated investment objectives. We select money market funds based on ease of use and interest rate. All positions are considered asset allocation categories for the client’s investment strategy.

Where deemed appropriate, we may recommend that our clients invest in alternative assets, including hedge funds, private equity funds, real estate funds, and other alternative funds. Although the Investment Advisory Agreement with our Clients gives us broad investment authority, we do not anticipate investing in other security types. However, from time to time, we will consider incorporating socially responsible investing (Sustainable Investing Strategies (“SIS”) or Environment, Social, and Governance Strategies (“ESG”) for those Clients who wish to align their portfolios with their personal preferences for Impact Investing. This may include investing in both public and private markets. A Client’s investment allocation and our strategy will depend on the Client’s responses in review meetings, written questionnaires, stated goals, risk tolerance, objectives, and personal preference for Impact Investing.

Clients are advised to promptly notify us if there are changes in their financial situation or if they wish to place any limitations on managing their portfolios.

During discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. We develop a client’s personal profile and investment plan based on client needs. We then create and manage the client’s investments based on that profile and plan.

In performing our services, we shall not be required to verify any information received from the client or the client’s other professionals on their behalf. The client gives their express permission that we may rely

on this information. The client's obligated to notify us immediately if circumstances have changed with respect to their goals or changes in their financial condition.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to review your portfolio periodically.

We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You can leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We have limited authority to direct the custodian to deduct our investment advisory fees from your accounts, but only with your appropriate written authorization.

Where appropriate, we provide advice about any type of legacy position held in client portfolios. Typically, these are ineligible assets to be custodied at our primary custodian. Clients will engage us to advise on certain investment products not maintained at their primary custodian, such as variable life insurance, annuity contracts, 529 education accounts, and assets held in employer-sponsored retirement plans.

You are advised and expected to understand that our past performance does not guarantee future results. Certain capital market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

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## **FINANCIAL PLANNING**

Through the financial planning process, commonly referred to as the Financial Portrait, we strive to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable donations, cash flow, long-term health care needs wealth transfer, and family legacy, family educational plans for grandchildren, nieces, and nephews. Our team works with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to coordinate all parties' efforts toward the client's stated goals. Such services include reports on specific goals and objectives, general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals, such as retirement date
- Assessment of your overall financial position, including cash flow, balance sheet, investment strategy, risk management, and estate planning
- Creation of a unique plan for each goal you have, including personal real estate, education, retirement or financial independence, charitable giving, limited estate planning, and other personal goals
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and

- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys and a tax advisor, an estate settlement to provide for you in the event of an incapacity or death

Clients are obligated to answer questionnaires and provide accurate information regarding their current financial situation and goals on an ongoing basis. In performing its services, Alexander LaBrunerie & Co. is not obligated to verify any information received from the client or the client's other professional service providers and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Alexander LaBrunerie & Co. if ever there is any change in their financial situation or investment objectives to review, evaluate, or revise Alexander LaBrunerie & Co.'s previous recommendations or services.

A written evaluation of each client's initial situation or Financial Plan is provided to the client. Alexander LaBrunerie & Co. does not advise on social security, Medicare, or Medicaid programs. We provide pertinent information to assist the client in making an informed decision. An annual review will be provided by AFL, if indicated by the client and the Firm per the Agreement. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended. Financial Plans are not estate and tax plans and Alexander LaBrunerie & Co. does not warrant their Financial Plans as such. Beneficiary reviews and the updating of primary and contingent beneficiaries is the responsibility of the client.

The client will be solely responsible for accepting or rejecting the Planner's financial planning advice and implementing any such investment recommendations. Planner may recommend itself, one of its affiliates, or a third party to assist the Client with the implementation of Planner's financial planning advice. A conflict of interest exists where the planner recommends itself or any of its affiliates to implement any such advice. The client understands that the client may choose any advisor, brokerage firm, or other professionals to implement the recommendations and advice given by the Planner. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional/firm and hold harmless the Planner and AFL, including any affiliates, from any and all damages or losses incurred by outside professionals AFL refers to the client. employees and affiliates

Long term plans are not guaranteed, and future projections may turn out to be inaccurate. Inaccurate plans may result in capital depletion and loss of income.

These services end upon your death and are not transferable to your heirs, beneficiaries or estate unless previously agreed to in writing by all parties.

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#### **CONSULTING SERVICES**

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern, real estate, and/or advice.

In these consultation engagements, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals. You must independently evaluate these firms before opening an account or transacting business, and you have the right to effect business through any firm you choose.

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## **RETIREMENT PLAN CONSULTING SERVICES**

Retirement Plan Consulting Services includes providing participant enrollment meetings and assisting with participant education. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts and organizations.

When serving as an ERISA 3(21) investment advisor, the Plan Sponsor, and Our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Advisory Agreement between our Firm and the Plan Sponsor. Under the 3(21) agreement. Our Firm provides the following services to the Plan Sponsor:

- Screen investments and make recommendations.
- Monitor the investments and suggests replacement investments when appropriate.
- Provide a quarterly monitoring report.
- Assist the plan sponsor in developing an Investment Policy Statement (“IPS”).
- Recommend QDIA alternatives.
- Recommend non-discretionary model portfolios.

We can also be engaged to provide Plan Consulting Services. Plan Consulting Services include financial education to Plan participants, participant seminars, benchmarking the Plan services, education to fiduciary committee members, and monitoring the service provider. The scope of education provided to participants will not constitute “investment advice” within the meaning of ERISA, and participant education will relate to general principles for investing and information about the investment options currently in the Plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants.

### **Disclosure Regarding Rollover Recommendations**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. 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.

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan’s investment

professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

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### **THIRD PARTY MONEY MANAGERS**

Our Firm may determine that engaging the expertise of an independent third-party money manager ("TPMM") is best suited for the client's account. If deemed appropriate for the client, our Firm will recommend utilizing an independent TPMM to aid in the implementation of investment strategies for the client's portfolio. In certain circumstances, we may allocate a portion of a portfolio to the TPMM for separate account management based upon the client's individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with the client, the client will engage directly with the TPMM for the management of those assets. These TPMMs shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies, and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

TPMMs selected for your investments need to meet several quantitative and qualitative criteria established by us. Among the criteria that may be considered are the TPMM's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

The client is advised and should understand that:

- A TPMM's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any TPMM's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to our Firm are guidelines only, and there is no guarantee that they will be met or not be exceeded.

TPMMs take discretionary authority to determine the securities to be purchased and sold for the client. Our Firm will work with the TPMM to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the client. In all cases, trading restrictions will depend on the TPMM and their ability to accommodate such restrictions.

All performance reporting will be the responsibility of the respective TPMM. Such performance reports will be provided directly to you and our Firm. Disclosures will indicate whether the Firm or the TPMM is providing the reporting.

We review the performance of our TPMMs on a periodic basis. More frequent reviews may be triggered by changes in the TPMM's management, performance or geopolitical and macroeconomic specific events.

Our Firm only enters into only a select number of relationships with TPMMs.

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### **WRAP FEE PROGRAM**

We do not participate in a Wrap Fee Program.



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**ASSETS**

As of December 31, 2023, we have \$394,760,744, in discretionary assets under management and \$31,899,265 in non-discretionary assets under management for a total of \$426,660,009 in regulatory assets under management.

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**ITEM 5 - FEES AND COMPENSATION**

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**INVESTMENT MANAGEMENT FEES AND COMPENSATION**

Our Firm charges a fee as compensation for providing Investment advisory services on your account. These services include advisory services, trade entry, investment supervision, and other account maintenance activities. Our Custodians charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. These fees assessed by both Alexander LaBrunerie & Co. and its custodians will reduce your account's overall returns and performance. See Additional Fees and Expenses below for details.

Our maximum investment advisory fee is 1.0%, or we may negotiate a lower advisory fee at the firm's discretion. The specific advisory fees are set forth in your Investment Advisory Agreement with our Firm. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family-related accounts are charged a reduced fee for our services.

Fees are billed quarterly in advance or arrears based on the market value of the account at the end of the preceding quarter. Fees are assessed on all assets under management, including securities, cash, certificates of deposit and money market balances. AFL uses the Charles Schwab Money Market. The Charles Schwab money market may not be the highest-yielding money market fund. Margin account balances are not included in the fee billing. Management fees are prorated for each capital contribution or withdrawal made during a calendar quarter. Other advisers may have higher or lower fees than AFL.

The independent and qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you at least a quarterly basis indicating all the amounts deducted from the account including our advisory fees. Client can elect to be directly billed as an alternative.

Either AFL, or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination for the month in which the cancellation notice was given and the refunded. If a managed account transfers custodian outside of AFL in the middle of a billing period, we do not pro-rate fees.

Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of the client's death or disability, AFL will continue the management of the account until we are notified of the client's death or disability and given alternative instructions by an authorized party. Mutual Funds and ETFs charge additional fees not included in AFL's fee.

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## **FINANCIAL PLANNING FEES**

AFL will negotiate the planning fees with the client for stand-alone financial planning arrangements. The Financial Portrait fee is \$200/hour or complementary if assets under management are greater than \$150,000 at the time of agreement. The Financial Portrait fee may be waived.

Typically, we complete a plan within 30 days and will present it to the client within 90 days of the contract date, provided that the client has provided us all information needed to prepare the financial plan. The client may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination, and any unearned portion of the fee will be refunded to the client based on an hourly rate of \$150.00. Services provided up to date of termination but not yet paid to AFL will be billed to the client based on the hourly rate of \$150.00. We will not require prepayment of more than \$1,200 in fees per client and six (6) or more months in advance of providing any services.

In no case are AFL fees based on, or related to, the performance of the client's funds or investments.

When both investment management or plan implementation and wealth planning services are offered, there is a conflict of interest since there is an incentive for us offering Financial Portrait services to recommend products or services for which AFL receives compensation. However, AFL will make all recommendations independent of such considerations and based solely on our obligations to consider the client's objectives and needs. As a Financial Portrait client, the client has the right not to act upon any of our recommendations and not affect the transaction(s) through us if the client decides to follow the recommendations.

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## **CONSULTING FEES**

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with the client or charge \$200-\$500 per hour. The range of fees for Consulting Services may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement.

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## **RETIREMENT PLAN CONSULTING SERVICES**

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and as disclosed in the Employer Sponsored Retirement Plans Consulting Agreement ("Plan Consulting Agreement"). The compensation method is explained and agreed upon in advance before any services are rendered and detailed in the Agreement.

Plan advisory services begin with the effective date of the Plan Consulting Agreement, which is the date the client signs the Plan Consulting Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears or in advance on the last business day of the calendar month, as indicated in the Plan Consulting Agreement. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Plan Consulting Agreement.

Either party may terminate the Plan Consulting Agreement at any time upon immediate notice. The client is responsible to pay for services rendered until the termination of the agreement.

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### **THIRD PARTY MONEY MANAGER (“TPMM”) FEES AND SERVICES**

Fees and billing methods are outlined in each respective TPMM’s Brochure and Advisory Contract. The client pays an on-going fee directly to the TPMM based upon a percentage of your assets under management with respect to each TPMM. You will receive disclosure of all fees by the TPMM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPMM. The minimum account size will vary from TPMM to TPMM. All such minimums will be disclosed in the respective TPMM’s Brochure. We may have the ability to negotiate such minimums for you. The fee to AFL is typically an added fee to the fee you pay the TPMM. Details are discussed with you and are disclosed in the management agreements.

You may terminate your relationship in accordance with the respective TPMMs’ disclosure documents. We may recommend you terminate the relationship with a TPMM. Factors involved in the termination of a TPMM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPMM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPMM on our list of approved TPMMs.

Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through AFL or available elsewhere. Investment management programs may differ in the services provided, and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see the complete details in the program brochure and custodial account agreement for each program recommended and offered.

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### **ADMINISTRATIVE SERVICES PROVIDED BY ADVYZON**

Our Firm has contracted with Advyzon Technologies to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation, client relationship maintenance, quarterly performance evaluations, and other functions related to managing Client accounts’ administrative tasks. Due to this arrangement, Advyzon will have access to client accounts, but Advyzon will not serve as an investment advisor to our clients or bill the accounts. Advyzon charges our firm an annual fee for each account administered by its software. Please note that our firm’s annual fee to Advyzon will not increase the Client’s fee. Our firm will pay the annual fee from the portion of the management fee retained by Our Firm. Our firm and Advyzon are non-affiliated companies.

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### **ADDITIONAL FEES AND EXPENSES**

In addition to the advisory fees paid to our Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges will include securities transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund company or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. AFL’s brokerage practices are described at length in Item 12, below. Legacy assets that pay a trail will be received by supervised persons of Saxony Securities, Inc. Further, our Firm does not share in any of these additional fees and expenses outlined above.

AFL may include mutual funds and exchange-traded funds (“ETFs”) in our investment strategies. AFL’s policy is to purchase institutional share classes of those mutual funds selected for the client’s portfolio. The institutional share class generally has among the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client’s account performance. Mutual fund expense ratios are in addition to the AFL fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, AFL may use them in the client’s portfolio, and/or convert the existing mutual fund position to the lower-cost share class. Clients who transfer mutual funds into their accounts with AFL would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client’s transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

The mutual fund and exchange-traded fund companies that choose to participate in your custodian’s NTF fund program pay a fee to be included in the NTF program. The fees paid by these companies to participate in the program are ultimately borne by the owners of the mutual fund or exchange-traded fund including clients of our Firm. When we decide whether to choose a fund from your custodian’s NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

## **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees), nor engage side by side management.

## **ITEM 7 - TYPES OF CLIENTS**

We provide investment advice to individuals, high net worth individuals, corporations and other businesses, pension and profit-sharing plans, charitable organizations, estates, and trusts.

AFL does not require a minimum dollar value of any account to which it provides advisory and financial planning services.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Once the client’s profile, financial situation, investment objectives, time horizon, and risk tolerance have been determined, we will utilize cyclical and Fundamental Analysis. In formulating our investment advice, the Firm uses financial media and websites, inspections of corporate activities on-line, research prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases. Research is used which is produced by Morningstar, Inc. and Standard and Poor’s. Interviews with mutual fund companies’ management also serve for gathering insight and the Firm subscribes to economic research.

## **CYCLICAL**

A cyclical analysis focuses on industry sensitivity to the business cycle and attempts to benefit investment decisions through understanding where the business cyclical is and where it may be heading.

Certain kinds of stock show marked tendencies to mirror these larger economic movements, either directly or inversely. Automobile industry stocks, housing stocks, and many others belong to these groups. Others, such as food-related stocks, have less or no relation to these cyclical economic movements. It is important for the analyst using cyclical predictors to have a good understanding of how certain industries relate to the overall economy and any verifiable changes occurring within the system, to ascertain which business sectors will be affected and how greatly by economic changes.

The analysis is applied to limited kinds of stocks, ETF or stock Indices which either could limit a portfolio or require other forms of investing whose analyses would then need to be related to and integrated with the concepts and investment goals inherent in a cyclical view. Steep and severe losses occur to investors in stocks from time to time.

Understanding business cycles is a complicated endeavor at the least. The time involved in these cycles is generally longer historical periods whose effectiveness can be eclipsed by other forms of market action and volatility.

Changes in the economy vary in the magnitude of their cyclical effects from period to period. Deciding when to enter into a predicted cycle and when to leave can require very careful monitoring; demand for certain cyclical industry items are not always predictable if a significant portion of consumption is from certain foreign purchasers, the Chinese Peoples Republic, for example. Time spent using one analytical method will compete with other analytical methods which might have proven more useful and profitable.

Political, legal and trade and timing of investment persist as risk to the client's portfolio as well and must be accepted by the client. When investing in mutual funds it is possible that managed accounts underperform their benchmarks, resulting in lower returns or loss. AFL does not conduct specific analysis it relies on research from third-party research firms and uses that data to inform our investment decisions.

## **FUNDAMENTAL ANALYSIS**

Called the "bottom-up" approach to investing, a fundamental analysis seeks an in-depth understanding of a specific firm/ company to evaluate its intrinsic value and its future prospects before investing in its stock. Such an analysis studies the firm's management, its debt, equity and cash flow, history of financial performance/ growth, dividend payout percentages, its products, operating efficiency and marketing structures, among other factors. The firm's balance sheet and income statement are two key sources of information about the firm.

Fundamental Analysis will compare a firm's stock price with its earnings per share and its net earnings to its gross revenues and compare both with the averages for that industry sector. The ratio of current liabilities to current assets is another important element of this form of evaluation. A central focus is deciding whether the stock is over-valued or undervalued. Revenue growth and the position in the industry is reviewed.

As a term in large-scale economics, a fundamental analysis studies gross national product, inflation and interest rates, trade and unemployment trends, consumer confidence, savings and spending patterns and inventories in order to predict the larger movements of national and international economies. These larger concerns greatly influence the elements considered in a fundamental analysis of any given company.

The factors involved can require time-consuming study that can fall behind the need to make decisions, if such factors begin to change rapidly. Few of the numbers are absolutes; many are relative to other factors or industry sector information. Most require informed judgment and experience to be applied meaningfully to stock values. Steep and severe losses will occur from time to time to investors in stocks.

Fundamental analysis places value on the financial structure and health of the firm to be invested in. These factors at times are of little or no interest to the marketplace, such that the stock prices for very sound companies sometimes wither when investors look to other reasons and areas for investing.

A firm can falsify facts to hide poor performance or a fragile financial situation. The independence of balance sheets' and other reports' numerical information from such possible manipulation are not always readily verifiable and result in negative news causing individual companies and the broad market to drop in price. This can lead to permanent and severe loss to investors.

Time spent using one analytical method will compete with other analytical methods which might have proven more useful and profitable in hindsight.

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## **INVESTMENTS**

Typical investments for clients may include equity securities such as equities, mutual funds, exchange-traded funds, debt instruments such as US Government, municipal, and corporate bonds may be selected by the representative. These investments will rely on one or several types of analysis, as described in the next section. All investments involve some form of risk and no guarantees are warranted or implied.

The Firm employs primarily long-term investment strategies, buying securities to be held for a year or longer in most cases. All strategies are intended to enhance the portfolio's value and ability to meet a client's stated goals. What is regarded as "frequent trading" varies according to both client and to the type of security involved. All trading will normally add costs that a client's account must pay, possibly reducing overall performance for the account. In select accounts, the Firm's strategy can include more frequent trades, if a client directs the Firm that he or she wants to pursue a more aggressive growth, in which securities are occasionally held for only a few days. Certain low operating cost funds such as Vanguard group have higher one-time transaction fees on custodial platforms such as Charles Schwab and Pershing LLC than other mutual funds.

From time-to-time other rebalancing or selling on market strength is recommended on an individual account basis based on market conditions and investment performance monitoring, Trading costs and taxation are taken into consideration when making the recommendation.

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## **RISK OF LOSS**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or general declines.

Investors should be aware that accounts are subject to the following risks:

- **MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money, and your investment may be worth more or less upon liquidation.
- **FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
- **INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.
- **EXCHANGE-TRADED FUNDS** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **PERFORMANCE OF UNDERLYING MANAGERS** - We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **ALTERNATIVE INVESTMENT RISK** - Alternative investments include other additional risks. Lock-up periods and other terms obligate Clients to commit their capital investment for a minimum period, typically no less than one or two years and sometimes up to 10 or more years. Illiquidity is considered a substantial risk and will restrict the ability of a Client to liquidate an investment early, regardless of the success of the investment. Alternative investments are difficult to value within a Client's total portfolio. There may be limited availability of suitable benchmarks for performance comparison; historical performance data may also be limited.

In some cases, there may be a lack of transparency and regulation, providing an additional layer of risk. Some alternative investments may involve the use of leverage and other speculative techniques. As a result, some alternative investments may carry substantial additional risks, resulting in the loss of some or all of the investment. Using leverage and certain other strategies will result in adverse tax consequences for tax-exempt investors, such as the possibility of unrelated business taxable income, as defined under the U.S. Internal Revenue Code.

- **CYBERSECURITY RISK** - In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at AFL or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity

breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

## **ITEM 9 - DISCIPLINARY INFORMATION**

We do not have any legal, financial or other "disciplinary" item to report.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Clients should review our IARs Form ADV Part 2B Brochure Supplement to determine whether the Client's IAR is engaged in any of the activities described below that may create a conflict of interest. If the Client did not receive the Advisor's Form ADV Part 2B Brochure Supplement, the Client should contact the Firm's Chief Compliance Officer using the information on the cover page of this Brochure. The Chief Compliance Officer is available to address any questions a Client or prospective client may have regarding any of the below conflicts of interest or any other information outlined in this Brochure.

### **THIRD PARTY MONEY MANAGER RELATIONSHIPS**

Please refer to Item 4 and Item 5 above for more information about the selection of TPMMs used with our investment services. Our Firm will invoice separately for AFL's portion of the advisory fee. A conflict of interest may arise for our Firm when utilizing a TPMM due to the receipt of discounts or services that are not available to us from another similar TPMM. In order to minimize this conflict, our Firm will make our recommendations and selections of TPMMs in the best interest of our clients.

### **INSURANCE**

Some of our IARs are licensed insurance agents and sell various life insurance products, long term care and fixed annuities through the licensed insurance agency. Our IARs receive compensation (commissions, trails, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. IARs spend a portion of their time in connection with these insurance activities and it represents ongoing revenue for our IARs. The IAR has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.



## ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of AFL, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions in order to ensure our Firm's fiduciary responsibilities:

- A director, officer, or employee of AFL shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of AFL shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
- We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of AFL.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

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### INVESTMENT POLICY

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: Alex LaBrunerie, Chief Compliance Officer.

## ITEM 12 - BROKERAGE PRACTICES

We generally recommend that our Clients utilize Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, Member SIPC, as the qualified Custodian. Our Firm is independently owned and operated and unaffiliated with Schwab. Schwab will hold Client assets in a brokerage account and buy and sell securities when our Firm instructs them.

While our Firm recommends that Clients use Schwab as a Custodian, Clients must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The Client opens the accounts with Schwab. The accounts will always be held in the Client's name and never in our Firm's.

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#### **HOW OUR FIRM SELECTS CUSTODIAN-BROKER**

Our Firm seeks to recommend a Custodian-Broker who will hold Client assets and execute the transactions on terms that are, overall, most advantageous compared to other available providers and their services. Our Firm considers a wide range of factors, including, among others:

- Combination of transaction execution and asset custody services (generally without a separate fee for custody).
- Capability to execute, clear, and settle trades (buy and sell securities for Client accounts).
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.).
- The breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to our Firm and our other Clients.
- Availability of other products and services that benefit our Firm, as discussed below (see "Products And Services Available To Us From Schwab").

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#### **CLIENT BROKERAGE & CUSTODY COSTS**

For Clients' accounts, Schwab maintains and generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades it executes or settling into Clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that our Firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Client's Schwab account. These fees are in addition to the ticket charges or compensation the Client pays the executing broker-dealer. Because of this, our Firm has Schwab execute most trades for Client accounts to minimize trading costs. Our Firm has determined that having Schwab execute most trades is consistent with our duty to seek the "best execution" of Client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How Our Firm Selects Custodian-Broker).

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#### **PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB**

Schwab Advisor Services™ (formerly called Schwab Institutional®) provides independent investment advisory Firms and Clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis and at no charge to our Firm. These are typically considered soft dollar benefits because there is an incentive to do business with Schwab. Receiving soft dollar benefits creates a conflict of interest. We have

established policies in this regard to mitigate any conflicts of interest. We believe our selection of Schwab as Custodian-Broker is in the Clients' best interests. Our Firm will always act in the best interest of our Clients and act as fiduciary in carrying out services to Clients. The following is a more detailed description of Schwab's support services:

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#### **SERVICES THAT BENEFIT OUR CLIENTS**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some we might not otherwise have access to or would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit our Clients and their accounts.

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#### **SERVICES THAT MAY NOT DIRECTLY BENEFIT OUR CLIENTS**

Schwab also makes other products and services available that benefit our Firm but may not directly benefit our Clients or their accounts. These products and services assist our Firm in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. Our Firm may use this research to service all or a substantial number of our Client's accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to Client account data (such as duplicate trade confirmations and account statements).
- Facilitate trade execution and allocate aggregated trade orders for multiple Client accounts.
- Provide pricing and other market data.
- Facilitate payment of our fees from our Clients' accounts.
- Assist with back-office functions, recordkeeping, and Client reporting.

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#### **SERVICES THAT GENERALLY BENEFIT ONLY US**

Schwab also offers other services to help our Firm manage and further develop our business enterprise.

These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to our Firm. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide our Firm with other benefits, such as occasional business entertainment for our personnel.

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#### **OUR INTEREST IN SCHWAB'S SERVICES**

- The availability of these services from Schwab benefits our Firm because we do not have to produce or purchase them. These services are not contingent upon our Firm committing any specific

amount of business to Schwab in trading commissions. We believe our selection of Schwab as Custodian and Broker is in our Client's best interests.

- Some of the products, services, and other benefits provided by Schwab benefit our Firm and may not benefit our Client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based, in part, on the benefits Schwab provides to our Firm or our Agreement to maintain certain Assets Under Management at Schwab and not solely on the nature, cost, or quality of custody and execution services provided by Schwab.
- Our Firm places trades for our Clients' accounts subject to its duty to seek the best execution and other fiduciary duties. Schwab's execution quality may be different from other broker-dealers.
- Our Firm does not routinely recommend, request, or require that the Client direct us to execute the transactions through a specified Custodian. Additionally, our Firm typically does not permit the Client to direct brokerage. We place trades for Client accounts subject to our duty to seek the best execution and other fiduciary duties.
- We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:
  - Our policy for the aggregation of transactions shall be fully disclosed separately to our existing Clients (if any) and the broker/dealer(s) through which such transactions will be placed.
  - We will only aggregate transactions if we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek the best price) for the Client and is consistent with the terms of our investment advisory agreement.
  - No advisory Client will be favored over any other Client; each Client that participates in an aggregated order will participate at the average share price for all transactions in a given security on a given business day, with transaction costs based on each Client's participation in the transaction.
  - Our Firm will prepare a written statement ("Allocation Statement") specifying the participating Client accounts and how to allocate the order among those Clients.
  - If the aggregated order is filled in its entirety, it will be allocated among Clients per the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
  - Notwithstanding the preceding, the order may be allocated on a basis different from that specified if all Client accounts receive fair and equitable treatment. The reason for the difference in allocation will be documented and reviewed by our Firm's Compliance Officer. Our Firm's books and records will separately reflect, for each Client account, the orders which are aggregated, and the securities held by and bought for that account.
  - Our Firm will not receive additional compensation or remuneration of any kind because of the proposed aggregation; and
  - Individual advice and treatment will be accorded to each advisory Client.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at Schwab. We may recommend that you establish accounts with Schwab to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

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#### **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive Client referrals from any Custodian or third party in exchange for using that broker-dealer or third party.

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#### **AGGREGATION & ALLOCATION OF TRANSACTIONS**

Our Firm may aggregate transactions if it believes that aggregation is consistent with the duty to seek the best execution for its Clients and is consistent with the disclosures made to Clients and terms defined in the Investment Advisory Agreement. No Client will be favored over any other Client. Each account in an aggregated order will participate at the average share price (per Custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash.
- Concerning sale allocations, allocations may be given to accounts low in cash.
- We may allocate shares to the account with the smallest order, to the smallest position, or to an account that is out of line concerning security or sector weightings relative to other portfolios with similar mandates.
- We may allocate one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results, and other accounts can purchase that in the block.
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after placing an order.
- If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more account(s), we may exclude the account(s) from the allocation.
- Our Firm will document the reasons for any deviation from a pro-rata allocation.

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#### **TRADE ERRORS**

Our Firm has implemented procedures designed to prevent trade errors; however, our Firm cannot always avoid Client trade errors.

Consistent with our Firm's fiduciary duty, it is our Firm's policy to correct trade errors in a manner that is in the Client's best interest. In cases where the Client causes the trade error, the Client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the Client may not be able to receive any gains generated due to the error correction. In all situations where the Client does not cause the trade error, the Client will be made whole, and we would absorb any loss resulting from the trade error if our Firm caused the error. If the Custodian causes the error, the Custodian will cover all trade error costs. If an investment error results in a gain when correcting the trade, the gain will be donated to charity. Our Firm will never benefit or profit from trade errors.

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#### **DIRECTED BROKERAGE**

Our Firm does not routinely recommend, request, or require that the Client direct us to execute the transaction through a specified broker-dealer. Additionally, our Firm typically does not permit the Client to

direct brokerage. Our Firm places trades for Client accounts subject to its duty to seek the best execution and other fiduciary duties.

## ITEM 13 - REVIEW OF ACCOUNTS

### ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES

Our Investment Adviser Representatives will monitor client accounts on a regular basis and perform periodic reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. The review could include a written report. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

### STATEMENTS AND REPORTS

The custodian for the individual client's account will provide clients with an account statement at least quarterly.

Reports may also be provided at every client meeting. Communication with clients will be done on an as-needed basis.

Financial Portrait only clients (i.e. those who have no assets under management with us in our advisory program) will not receive regular reports from the Firm.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

### CLIENT REFERRALS

Our Firm pays referral fees to independent promoters for the referral of their clients to our Firm in accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940. This arrangement will not result in higher costs to you. In this regard, we maintain Promoters Agreements in compliance with Rule 206 (4)-1 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Promoters to our Firm will be given full written disclosure describing the terms and fee arrangements between our Firm and Promotor(s). The promotor will not provide clients with any investment advice on behalf of AFL.

### OTHER PROFESSIONALS

Our Firm may refer business to estate planning attorneys, accountants, insurance brokers, and other professionals. However, we do not receive monetary or other material compensation for referring Clients to such professionals. We also do not pay any person or firm commissions or other items of material value for referring Clients to us. If we receive or offer an introduction to a Client, we do not pay or earn a referral fee, nor are there established quid pro quo arrangements. Each Client can accept or deny such referral or subsequent services.

## ITEM 15 – CUSTODY

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

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#### **DEDUCTION OF ADVISORY FEES**

For all accounts, our Firm has the authority to have fees deducted directly from client accounts. Our Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from AFL. When the client has questions about their account statements or fee deductions, the client should contact AFL or the qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of advisor fees.

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#### **STANDING LETTERS OF AUTHORIZATION ("SLOA")**

Our Firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest in any of the accounts we are deemed to have custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from us. When the client has questions about their account statements, the client should contact us, the client's Advisor or the qualified custodian preparing the statement.

### **ITEM 16 – INVESTMENT DISCRETION**

For discretionary accounts, prior to engaging AFL to provide investment advisory services, you will enter into a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the custodian to authorize and enable AFL, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange, and trade any investment company registered under the Investment Company Act of 1940, (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by AFL for you are:

- For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
- Any limitations on this discretionary authority shall in writing as indicated on the Investment Advisory Agreement, Appendix B. You may change/amend these limitations as required.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer-sponsored account.

## ITEM 17 – VOTING YOUR SECURITIES

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at (573) 449-5313.

Class action lawsuits are a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action lawsuits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

## ITEM 18 – FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.