

Form ADV, Part 2A, Item 1

Cover Page

Atlantic Financial Services, Inc.

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**FORM ADV PART 2
FIRM BROCHURE**

This brochure provides information about the qualifications and business practices of Atlantic Financial Services, Inc.. If you have any questions about the contents of this brochure, please contact us at (410) 296-0470. 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.

Additional information about Atlantic Financial Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Atlantic Financial Services, Inc. is 121258.

Atlantic Financial Services, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Each year, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th. We will further provide you with our most recent brochure at any time at your request, without charge. You may request a brochure by contacting us at **(410) 296-0470**.

Material Changes since the Last Update

Atlantic Financial Services, Inc. was established as new Registered Investment Advisor with the state of Maryland in June 1984. The firm became registered with the Securities and Exchange Commission ("SEC"), under the rules and regulations of the US Investment Advisers Act of 1940, as amended (the "Advisers Act") in April 2021.

The following material changes have occurred since the last annual filing on February 22, 2023:

- None.

Table of Contents

Advisory Business.....	4
Fees and Compensation.....	5
Performance-Based Fees and Side-By-Side Management.....	7
Types of Clients.....	7
Methods of Analysis, Investment Strategies, and Risk of Loss.....	7
Disciplinary Information.....	10
Other Financial Industry Activities and Affiliations.....	10
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Brokerage Practices.....	11
Review of Accounts.....	13
Client Referrals and Other Compensation.....	13
Custody.....	13
Investment Discretion.....	14
Voting Client Securities.....	14
Financial Information.....	14
Requirements for State-Registered Advisers.....	15

Advisory Business

Atlantic Financial Services, Inc. (hereinafter called "AFS") is a Registered Investment Adviser based in Towson, Maryland, and incorporated under the laws of the State of Maryland. AFS is wholly owned by Craig G. Fischer. AFS is registered with the SEC and subject to the rules and regulations of the US Advisers Act. Founded in June 1984, AFS provides investment advisory services, which may include, but are not limited to, the review of client investment objectives and goals, recommending asset allocation strategies of managed assets among investment products such as cash, stocks, mutual funds and bonds, annuities, and/or preparing written investment strategies. Our investment advice is tailored to meet our clients' needs and investment objectives. Clients may impose restrictions on investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.) by providing a signed and dated written notification, of which an e-mail is also an acceptable form of notification. AFS also provides consulting services. This may include advice on only an isolated area of concern such as estate planning, retirement planning, insurance coverage or any other specific topic. Depending on the area of concern, AFS may recommend that the client work with his or her attorney, accountant, insurance agent, stockbroker and /or other service provider to implement the advice. AFS may recommend service providers to the client to implement the advice.

AFS provides investment advisory and other financial services through its Investment Advisory Representatives ("IAR") to accounts opened with AFS. Managed Accounts are available to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

AFS provides non-discretionary investment advisory services to some of its clients through various managed account programs. AFS will assist clients in determining the suitability of the Managed Account Programs for the client. The IAR is compensated through a comprehensive single fee and the account may be assessed other charges associated with conducting a brokerage business. AFS and its IAR, as appropriate, will be responsible for the following:

- Performing due diligence
- Recommending strategic asset and style allocations
- Providing research on investment product options, as needed
- Providing client risk profile questionnaire
- Obtaining investment advisory contract from client with required financial, risk tolerance, suitability and investment vehicle selection information for each new account
- Performing client suitability check on account documentation, review the investment objectives and evaluate the investment vehicle selections
- Providing Firm Brochure (this document)

Employee Benefit Plan Consulting Services Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area of concern such as estate planning, retirement planning, insurance coverage or any other specific topic. Depending on the area of concern, AFS may recommend that the client work with his or her attorney, accountant, insurance agent, stockbroker and /or other service provider to implement the advice. AFS may recommend service providers to the client to implement the advice.

AFS provides several advisory services separately or in combination. While the primary clients for these services will be sponsors and fiduciaries of pension, profit sharing and 401(k) plans, AFS will also offer these services, where appropriate, to trusts, estates and charitable organizations. Clients may choose to use any or all of these services. AFS will not manage benefit plans as part of this service.

As of December 31, 2023, AFS has total assets under management in the amount of \$140,659,844 on a non-discretionary basis.

Form ADV, Part 2A, Item 5

Fees and Compensation

The following types of fees will be assessed:

Asset Management – Fees are charged quarterly in advance and are based primarily on asset size and the level of complexity of the services provided. In individual cases, AFS has the sole discretion to negotiate fees that are lower than the standard fee shown or to waive fees. Fees are not based on the share of capital gains or capital appreciation of the funds or any portion of the funds. Comparable services for lower fees may be available from other sources. Fees for the initial quarter will be prorated based upon the number of calendar days in the calendar quarter that the advisory agreement is in effect. Fees are based on the market value of the assets on the last business day of the previous quarter. Annual fees range from .75% - 1.50%, depending on the amount of assets under management (“AUM”) – See chart below. Consulting services are included in these fees for asset management services with the exception of unique circumstances that may require a separate agreement for financial planning services (description and fees are discussed below). If the situation warrants separate financial planning fees, it will be discussed upfront and a separate agreement will be negotiated.

Fee Schedule for Asset Management:

Total Account Value	Maximum Annual Advisory Fee
First \$99,999	1.50%
\$100,000 to \$249,999	1.25%
\$250,000 to \$499,999	0.95%

Over \$500,000	0.75%
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As authorized in the client agreement, the account custodian withdraws Atlantic Financial Services, Inc.'s advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodial statement includes the amount of any fees paid to AFS for advisory services. You should carefully review the statement from your custodian/broker-dealer's statement and verify the calculation of fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

Fees are charged in advance on a quarterly basis, meaning that advisory fees for a quarter are charged on the first day of the following quarter. Clients may terminate investment advisory services obtained from AFS, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with AFS. The client is responsible for any fees and charges incurred by the client from third parties as a result of maintaining the account such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Thereafter, the client may terminate advisory services upon written notice delivered to and received by AFS. Clients who terminate investment advisory services during a quarter are charged a prorated advisory fee based on the date of AFS's receipt of client's written notice to terminate. Any earned but unpaid fees are immediately due and payable, and any prepaid and unearned fees will be immediately refunded.

Employee Benefit Plans or other Consulting Services – Consulting services are charged in advance through an hourly arrangement as agreed upon between the client and Atlantic Financial Services, Inc.. There will never be an instance where \$1,200 or more in fees is charged six or more months in advance. Hourly fees are generally charged when the scope of services cannot be determined or if the services are limited to one meeting. Hourly fees are \$125 per hour, Similar financial planning services may be available elsewhere for a lower cost to the client.

Fees for consulting services are due and payable as rendered.

Additional Fees and Expenses

In addition to advisory fees paid to AFS as explained above, clients may pay custodial service, account maintenance, transaction, and other fees associated with maintaining the account. These fees vary by broker and/or custodian. Clients should ask AFS for details on transaction fees or other custodial fees specific to their account, as these fees are not included in the annual advisory fee. AFS does not share any portion of such fees. Additionally, for any mutual funds purchased, the client may pay their proportionate share of the funds' distribution, internal management, investment advisory and administrative fees. Such fees are not shared with AFS and are compensation to the fund manager. Clients are urged to read the mutual fund prospectus prior to investing.

Mutual fund companies impose internal fees and expenses on clients. These fees are in addition to the costs associated with the investment advisory services as described above. Complete details of such internal expenses are specified and disclosed in each mutual fund company's

prospectus. Clients are strongly advised to review the prospectus(es) prior to investing in such securities.

Mutual funds purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly with the mutual fund company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company.

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter, or a distributor without purchasing the services of AFS or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive AFS's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary.

Please refer to Item 12 "Brokerage Practices" of this brochure for additional information.

Form ADV, Part 2A, Item 6

Performance-Based Fees and Side-By-Side Management

Atlantic Financial Services, Inc. does not charge performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or appreciation of the assets of a client. Our fees are calculated as described in Fees and Compensation section above and are not charged on the basis of performance of your advisory account.

Form ADV, Part 2A, Item 7

Types of Clients

AFS offers investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. There is no minimum account size to open and maintain an advisory account.

Form ADV, Part 2A, Item 8

Methods of Analysis, Investment Strategies, and Risk of Loss

AFS's methods of analysis and investment strategies incorporate the client's needs and investment objectives, time horizon, and risk tolerance. AFS is not bound to a specific

investment strategy for the management of investment portfolios, but rather consider the risk tolerance levels pre-determined gathered at the account opening, as well as on an on-going basis. Examples of methodologies that our investment strategies may incorporate include:

Asset Allocation – Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

Dollar-Cost Averaging – Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Our strategies and investments may have unique and significant tax implications. Regardless of your account size or other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Investing in securities involves risk of loss that clients should be prepared to bear. Although we manage your portfolio with strategies and in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Regardless of the methods of analysis or strategies suggested for your particular investment goals, you should carefully consider these risks, as they all bear risks.

AFS's primary goal for investing is to help the client maintain purchasing power over the long term. This may result in short term variability and loss of principal. Time horizon and risk tolerance are key determinates of the proper asset allocation. AFS's approach focuses on taking appropriate risks for which clients are compensated (i.e., market risk) and seeking to limit or eliminate risks that do not provide compensation over the long term (i.e., individual stock risk or lack of portfolio risk).

Below are some more specific risks of investing:

Market Risk. The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the client or an underlying fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

Management Risk. AFS's investment approach may fail to produce the intended results. If our perception of the performance of a specific asset class or underlying fund is not realized in the expected time frame, the overall performance of client's portfolio may suffer.

Equity Risk. Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

Fixed Income Risk. The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

Municipal Securities Risk. The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax changes, as well as by financial developments that affect the municipal issuers. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues, revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment

strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. AFS has no control over the risks taken by the underlying funds.

Form ADV, Part 2A, Item 9

Disciplinary Information

Atlantic Financial Services, Inc. or its Principal Executive Officers have not had any reportable disclosable events in the past ten years.

Form ADV, Part 2A, Item 10

Other Financial Industry Activities and Affiliations

Craig G. Fischer owner and IAR of AFS, is currently registered with a broker dealer.

Craig G. Fischer and representatives of the Firm are registered representatives and licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. AFS always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of AFS in their capacity as an insurance agent or registered representative. Not more than 20% of their time is spent on these activities.

Neither AFS nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Form ADV, Part 2A, Item 11

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

AFS's Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect client interests at all times and to demonstrate our commitment to fiduciary duties of honesty, good faith, and fair dealing. All of AFS's Associated Persons are expected to strictly adhere to these guidelines. Persons associated with Atlantic Financial Services, Inc. are also required to report any violations to the Code of Ethics. Additionally, the firm maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about our clients or client accounts by persons associated with our firm.

AFS and its employees may buy or sell securities that are also held by clients. It is the expressed policy of the advisor that no person employed by our firm purchase or sell any security prior to the transaction being implemented for an advisory account; therefore, preventing such employees from benefiting from transactions placed on behalf of the advisory clients.

The advisor does not have, nor plans to have, an interest or position in a security which is then also recommended to the client. As these situations may present a conflict of interest, the advisor has established the following restrictions in order to ensure its fiduciary responsibilities should this issue ever arise:

1. A director, officer or employee of the advisor shall not buy or sell a security for their personal portfolio(s) where their decision is substantially derived, in whole or part, by reason of his or her employment, unless the information is also available to the investing public. No owner/employee of AFS shall prefer their own interest to that of the client.
2. The advisor maintains a list of all securities held by the company and all directors, officers, and employees. These holdings are reviewed on a quarterly basis by the principal of the firm.
3. The advisor requires that all employees must act in accordance with all applicable Federal and State regulations governing registered investment advisors.
4. The advisor may block personal trades with those of clients but will ensure that clients are not at a disadvantage.

AFS's Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Craig G. Fischer at (410) 296-0470.

Form ADV, Part 2A, Item 12

Brokerage Practices

AFS offers a clearing platform to execute securities business for investment advisory services through Charles Schwab & Co., Inc. ("Schwab"). In order for AFS to provide asset management services, we request you utilize the brokerage and custodial services of Schwab. Schwab is an independent SEC-registered broker dealer and is separate and unaffiliated with AFS. Schwab offers services to independently registered investment advisors which include custody of securities, trade execution and clearance and settlement of transactions. The firm receives some benefits from Schwab through its participation in the Schwab Institutional program, as described in greater detail below.

AFS evaluates broker dealer/custodians based on our projected AUM and the best fit for our business model. In considering which independent qualified custodian would be the best fit for AFS's business model, we evaluate the following factors, which is not an all-inclusive list:

- Financial strength
- Reputation
- Reporting capabilities

- Execution capabilities
- Pricing, and
- Types and quality of research

A detailed description, list of services, and additional disclosures will be made during the revision of this brochure once an arrangement is finalized.

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including, but not limited to research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

AFS does not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

AFS does not have any formal soft dollar arrangements.

When AFS buys or sells the same security for two or more clients (including our personal accounts), we may place concurrent orders to be executed together as a single "block" in order to facilitate orderly and efficient execution. Each client account will be charged or credited with the average price per unit. We receive no additional compensation or remuneration of any kind because we aggregate client transactions. No client is favored over any other client. If an order is not completely filled, it is allocated pro-rata based on an allocation statement prepared by AFS prior to placing the order. Because of an order's aggregation, some clients may pay higher transaction costs, or greater spreads, or receive less favorable net prices on transactions than would otherwise be the case if the order had not been aggregated.

Review of Accounts

Client accounts are reviewed at least quarterly by Craig G. Fischer, Vice President and Chief Compliance Officer of the firm. Craig G. Fischer reviews clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at AFS are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Craig G. Fischer, Vice President and Chief Compliance Officer of the firm. There is only one level of review and that is the total review conducted to create the financial plan.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Each client will receive at least quarterly a written report that details the clients' account which may come from the custodian. Clients are encouraged to review these statements to verify accuracy and calculation correctness.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Client Referrals and Other Compensation

AFS does not compensate any individual or firm for client referrals. In addition, AFS does not receive compensation for referring clients to other professional service providers.

Custody

AFS does not have physical custody of any client funds and/or securities and does not take custody of client accounts at any time. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian. However, by granting AFS written authorization to automatically deduct fees from client accounts, AFS is deemed to have limited custody. You will receive account statements from the independent, qualified custodian holding your funds at least quarterly. The account statement from your custodian will indicate the amount of advisory fees deducted from your account(s) each billing cycle. Clients should carefully review statements received from the custodian.

Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place within your account(s) each billing period. You should carefully review account statements for accuracy.

Form ADV, Part 2A, Item 16

Investment Discretion

AFS does not have Investment Direction over client accounts. All accounts are non-discretionary.

AFS only purchases or sells securities which have been approved by the clients in advance.

Form ADV, Part 2A, Item 17

Voting Client Securities

We do not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Form ADV, Part 2A, Item 18

Financial Information

AFS is not required to provide financial information to our clients because we do not require or solicit the prepayment of more than \$1,200 six or more months in advance.

Requirements for State-Registered Advisers

This section is not applicable as AFS is SEC registered and not state registered.