

Box Financial Advisors, LLC

Firm Brochure

This brochure provides information about the qualifications and business practices of Box Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (817) 865-1811 or by email at: info@boxfinancial.com. 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 Box Financial Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Box Financial Advisors, LLC's CRD number is: 155623

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Registration does not imply a certain level of skill or training

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Box Financial Advisors, LLC on 03/27/2023 are described below. Material changes relate to Box Financial Advisors, LLC's policies, practices or conflicts of interests only.

- Item 4 and 7: We have amended our minimum asset requirement to \$500,000.
- Item 14: We have disclosed new relationships with lead-generator firms.

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Item 4: Advisory Business

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee*
\$1 - \$99,999	Flat \$1,000 ¹
\$100,000 - \$1,999,999	1.00%
\$2,000,000 - \$4,999,999	0.85%
\$5,000,000 - 9,999,999	0.70%
\$10,000,000+	0.55%

*Accounts for individual retirement plan assets will be charged pursuant to a different fee arrangement than the one reflected above and will be memorialized in the individual client contracts

The cost of investment advisory services is based on the market value of managed assets. If a client opts out of financial planning services, the investment advisory minimum annual cost starts at \$5,000. Due to this minimum annual expense, a client only using our investment advisory services will need to have a minimum of \$500,000 of assets managed or the client's cost may be higher than the stated rate in the above stated schedule.

These fees are negotiable and the final fee schedule is attached as Exhibit I of the Investment Advisory Contract. Fees are paid either quarterly or semi-annually in advance, and clients may terminate their contracts with fourteen days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. In cases where BFA fees are directly deducted, BFA is required to a.) Obtain client authorization, b.) Send a copy of the invoice to the client at the same time that the IA directs invoice to the custodian for payment, c.) Disclose that the custodian will send quarterly invoices to the client wherein BFA fees are itemized.

Financial Planning Fees

Fixed Fees

Depending upon the scope of the service, complexity of the situation and the needs of the client, the rate for creating client financial plans is a flat \$1,500. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. These fees are negotiable and the

¹ The option for investment advisory services for any assets less than \$500,000 is reserved for financial planning clients.

final fee schedule will be attached as Exhibit I of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid either quarterly or semi-annually in advance. Clients may also have the option of paying BFA directly for investment supervisory services. These payments would be due fifteen days following the end of the month or quarter.

Payment of Financial Planning Fees

Fixed Financial Planning fees are paid via check or account debit, with client written authorization, in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees etc.). Those fees are separate and distinct from the fees and expenses charged by BFA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

BFA collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or returned back into the account.

E. Outside Compensation For the Sale of Securities to Clients

Neither BFA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

BFA does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

Item 7: Types of Clients

BFA generally provides investment advice and/or management supervisory services to the following types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit-Sharing Plans
- ❖ Corporations or Business Entities

Minimum Account Size

For the BFA investment advisory services we require clients to have a minimum of \$500,000 of assets under management.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

BFA's primary method of analysis includes fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment strategies

BFA uses Long Term Trading, Short Term Trading, and Wealth Strategies.

B. Material Risks Involved

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

BFA utilizes investment strategies that are designed to capture market rates of both return and risk. The long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments, such as inflation risk, interest rate risk, economic risk, market risk, and political/regulatory risk. Short term trading risks include liquidity, economic stability, and inflation. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

BFA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. Please see below for more information on risks related to specific types of securities.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed Income: 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 held by the Fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who have the ability to pay a premium now and want

to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Private Placement Offerings are exempt from registration requirements at both the state and federal level, therefore clients should be aware that no regulator has reviewed the offerings to make sure the risks associated with the investment and all material facts about the entity raising money are adequately disclosed. Private placement offerings are often speculative, high risk and illiquid investments, meaning there are limited opportunities to resell the underlying security of the private placement. An investor can lose his or her entire investment in a private placement offering.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither BFA nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer or have an application pending to register.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither BFA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor, or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Elliot Stone and Joby Raymond hold insurance licenses. Both advisers are insurance licensed for educational planning purposes, but do not sell or receive additional compensation for insurance

products.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

BFA will not direct clients to third-party managers or advisors.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

As a fiduciary, BFA has a duty of utmost good faith to act solely in the best interest of each of our clients. Our clients entrust us with their assets, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying the Firm's Code of Ethics, and represents the expected basis of all of our dealings with our clients.

Our written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

BFA does not recommend that clients buy or sell any security in which a related person to BFA or BFA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of BFA may buy or sell securities for themselves that they also recommend to clients. BFA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of BFA may buy or sell securities for themselves at or around the same time as clients. BFA will not trade non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The custodian will be chosen based on their relatively low transaction fees and access to mutual funds and ETFs. BFA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

The Custodian the Firm primarily utilizes is Equity Trust Company.

1. Research and Other Soft-Dollar Benefits

There is no minimum client number or dollar number that BFA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for BFA to direct clients to a particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker-dealers to clients is best execution.

2. Brokerage for Client Referrals

BFA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

BFA may permit Clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the Client's direction with respect to the use of brokers supersedes any authority granted to BFA to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless BFA is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

BFA maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed annually by Clinton Chad Snead, President and Chief Compliance

Officer. Clinton Chad Snead acts as the Compliance Supervisor and is instructed to review clients' accounts with regard to their investment policies and risk tolerance levels.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

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).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive a quarterly written report detailing the clients account performance, which may come from the custodian.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

BFA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BFA clients.

The firm wants to protect clarity of our counsel to clients, however, if an investment does take a substantial amount of time to complete our research & due-diligence process, the firm may ask the investment sponsor to reimburse BFA's cost.

The firm will still seek to negotiate with each investment sponsor on the client's behalf for any improved terms and/or structure.

Compensation to Non –Advisory Personnel for Client Referrals

BFA may also receive client referrals from lead generator firms. In order to receive a referral fee from us, such solicitors must comply with the requirements of the jurisdictions in which they operate. The entity that referred you to us will receive compensation for referring clients to BFA. Clients will not be charged any additional fees or expenses resulting from a referral.

Item 15: Custody

All client assets are held at independent, qualified custodians. While our firm does not maintain physical custody of client assets, BFA is deemed to have limited custody when advisory fees are deducted directly from client accounts at the client's custodian. BFA must have written authorization from the client to deduct fees. Clients will receive account statements from the custodian and should carefully review those statements.

Item 16: Investment Discretion

For those client accounts where BFA provides ongoing supervision, BFA maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. Clients are required to provide BFA discretionary authority via limited power of authority. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

BFA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

BFA does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither BFA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Neither BFA nor its management have been the subject of a bankruptcy petition in the last ten years.