

Benningfield Financial Advisors, LLC

Form ADV Part 2A* Brochure

February 2016

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*This brochure provides information about the qualifications and business practices of Benningfield Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact the Firm's Chief Compliance Officer, Milo Benningfield, at telephone 415-561-6688. The information in this brochure has not been approved or verified by the U. S. Securities Exchange Commission or by any other federal or state authority.

The oral and written statements of an advisor provide information upon which a prospective client may base a determination as to whether or not to hire the advisor. You are encouraged to review this Brochure and Brochure Supplements for the Firm's associates who advise you for more information on the qualifications of the Firm and its employees. The use of the term "registered investment adviser" and description of Benningfield Financial Advisors, LLC and/or our associates as "registered" does not imply a certain level of skill or training. Additional information about Benningfield Financial Advisors, LLC is available at www.advisorinfo.sec.gov.

Item 2 - MATERIAL CHANGES FROM PRIOR FORM ADV 2A

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

This updated Form ADV Part 2A contains the following changes from the prior version:

- Updated assets under management information at Item 4.

Full Brochure Available

Whenever you would like to receive a complete copy of our current Firm Brochure, please contact us by telephone at: 415-561-6688.

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INDEX OF ERISA RELATED DISCLOSURES

Benningfield Financial Advisors, LLC (“BFA”) may provide investment management services to retirement plans governed by the Employee Retirement Investment Security Act (“ERISA”). ERISA regulations require that specific disclosures be made to the ERISA plan fiduciary that is authorized to enter into, or extend or renew, an agreement with the Firm to provide these services. The following Index identifies the disclosures required and the location where plan representatives may find them. It is intended to assist ERISA Plan representatives with compliance with the service provider disclosure regulations under section 408(b)(2) of ERISA. Any questions concerning this guide or the information provided regarding our services or compensation should be addressed to our Chief Compliance Officer at the number noted on the cover page hereof.

Required Disclosure	Location of the Required Disclosure
Description of the services that Advisor will provide to covered ERISA plans	Item 4 of this Form ADV Part 2A and the client plan’s investment management agreement with the Firm.
Statements that the services that Advisor will provide to covered ERISA plans will be as an ERISA fiduciary and registered investment adviser	Item 4 of this Form ADV Part 2A and the client plan’s investment management agreement with the Firm.
Description of the direct compensation to be paid to Advisor	Items 5 and 6 of this Form ADV Part 2A and the client plan’s investment management agreement with the Firm.
Description of the indirect compensation Advisor might receive from third parties in connection with providing services to covered ERISA plans, if any	Items 12 and 14 of this Form ADV Part 2A
Description of the compensation to be shared between Advisor and any third party or any affiliated entity, if any	Items 12 and 14 of this Form ADV Part 2A.
Compensation that Advisor will receive upon termination of its agreement to provide investment management services, if any	Item 4 of this Form ADV Part 2A.

Item 4 - ADVISORY BUSINESS

Item 4B

Firm Description

Founded in 2003, Benningfield Financial Advisors, LLC (“BFA”) provides integrated financial planning and investment management to individuals, families, pension and profit-sharing plans, and trusts. BFA and its staff are subject to principles of fiduciary duty, which dictate that the Firm conduct its business in a manner that places the interests of its clients ahead of those of the Firm and its employees and to disclose to clients any and all potential conflicts of interest that may impair its ability to do so. This Form ADV Part 2A describes the Firm’s business and makes numerous important disclosures related to its investment management and financial planning and financial consulting services.

BFA works with clients to define financial objectives and develop strategies for reaching those objectives. At the beginning of the advisory relationship, we review and analyze clients’ financial circumstances, including investment assets, income and expenses, tax considerations, borrowings, insurance, estate plan and other factors pertaining to their financial objectives and concerns.

Afterward, we provide clients with a financial plan that we will update periodically, as necessary. Clients are responsible for notifying us of any changes in their circumstances or other information that might affect their financial plan.

Based upon the goals in the financial plan, we develop investment policy guidelines documented in an Investment Policy Statement (IPS) and then design an investment portfolio that we manage on a discretionary basis. BFA accepts limited power of attorney to execute transactions on behalf of clients without obtaining specific consent before every transaction. This authority is limited to securities contained in the client’s managed accounts.

BFA is a fee-only advisory firm and receives compensation solely from fees paid directly by clients. The Firm does not accept commissions in any form and does not accept referral fees. BFA receives no benefits from custodians/broker-dealers based on client securities transactions (“soft dollar benefits”).

With respect to any client that is an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended

("ERISA"), and depending upon the management services provided by us, the Firm also may be considered a "fiduciary" as defined by ERISA.

Client investment assets managed by BFA are held by independent qualified custodians, including Fidelity Investments, State Street Bank & Trust Company, or others, in the client's name. BFA does not act as the physical custodian of any client assets, although we may at times be "deemed" by applicable regulatory authorities to have custody of client assets if we are authorized to deduct our management fees directly from a client's account held by the client's independent qualified custodian.

As a part of our services, we may recommend other professionals (e.g., attorneys, accountants, insurance agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

Item 4A

Principal Owner

Milo M. Benningfield, managing member, owns 100% of the interests in Benningfield Financial Advisors, LLC.

Item 4B

Types of Advisory Services

BFA's primary service is integrated financial management, which combines ongoing financial planning with asset management, under a single client advisory engagement.

For small institutions such as pension or profit-sharing plans or charitable organizations such as private foundations or endowments, BFA may provide investment management as a stand-alone service under its client advisory agreement.

Item 4C

Tailored Relationships

BFA tailors advisory services to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence and are

used to determine the course of action for each individual client. The goals and objectives for each client are documented in financial plans, Investment Policy Statements, and in correspondence, depending on the nature of the client.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client, BFA, and the separate account manager, if applicable. Agreements may not be assigned without client consent.

A client may make additions to and withdrawals from the client's portfolio account at any time, subject to the Firm's right to terminate an account if the amount of assets drops below our account size minimum. Clients may withdraw account assets with notice to the Firm, subject to the usual and customary securities settlement procedures. However, we design client portfolios as long-term investments and caution our clients that asset withdrawals may impair the achievement of the client's investment objectives.

Additions to an account may be in cash or securities, provided that we may decline to accept particular securities into a client's account or may recommend that the security be liquidated if it is inconsistent with the Firm's investment strategy or the client's investment objectives. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

General Notices

In performing its services, BFA relies upon the information received from its client or from the client's other professional advisors, and is not required to independently verify such information. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision by our advisors of the client's portfolio and/or financial plan.

A client or BFA may terminate an agreement immediately by written notice of such termination. The Firm does not assess any fees related to termination but will be entitled to all management fees earned up to the date of termination. Upon termination, BFA will invoice a client for any fees outstanding up to the date of termination, and they are payable by the client upon receipt of the invoice. Any unearned portion of the fee a client has paid will be promptly refunded.

Item 4D

No Wrap Fee Services Provided

The Firm does not sponsor nor does it provide portfolio management services to wrap fee programs offered by broker-dealers or others.

Item 4E

Assets Under Management as of December 31, 2015

As of December 31, 2015, BFA manages approximately \$125,685,801 in assets for about 240 accounts on behalf of 40 client households. All assets are managed on a discretionary basis.

Item 5 - FEES AND COMPENSATION

Description

Our annual financial management fee includes investment management and ongoing advice related to your managed portfolio and other personal finances. The fee is based on a percentage of the market value of the assets that we manage and is calculated:

Portfolio Value	Fee
up to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.75%
\$5,000,001 to \$10,000,000	0.50%
above \$10,000,000	0.40%

Accounts belonging to spouses and immediate household members may be combined in applying the fee schedule above.

Fees are calculated annually and then billed in quarterly installments, in arrears. A minimum quarterly fee of \$5,000 is assessed if the value of a client's managed portfolio at the time of the annual fee calculation is below \$2,000,000. BFA may increase a client's financial management fee before the next annual fee calculation if the client contributes additional assets for management by the Firm that represent more than 20% of the fair

market value of the client's managed portfolio on the date of the previous fee calculation.

If authorized by clients, BFA may deduct fees from clients' managed brokerage accounts. If clients choose to pay fees directly, fees will be payable by clients immediately upon receipt of any invoice.

At the beginning of each relationship, we perform a variety of necessary consultative and administrative tasks to develop each client's financial plan and investment strategy for which we charge a one-time "inception fee." Our standard inception fee ranges from \$5,000 to \$15,000 per client relationship and varies depending on the status of the underlying assets, challenges in transferring accounts to a new custodian, financial-planning complexities and other factors. The minimum inception fee of \$5,000 is due upon execution of the financial management agreement with the balance, if any, to be determined by BFA upon completion of its initial financial assessment of the client's underlying financial condition and upon transfer of the assets to the custodian.

The client's financial management fee to the Firm is determined in accordance with the above standard fee structure, with exceptions negotiated on a case-by-case basis at our discretion. The Firm, in its sole discretion, may negotiate to charge a different investment management or inception fee based upon, among other criteria, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and/or *pro bono* activities.

Fees for other services may be charged as mutually agreed upon, in advance, by clients and BFA.

BFA normally does not provide hourly financial-planning or investment advisory services except for existing investment management clients. When there is a need for such services, they will be charged at the rate of \$375 an hour and be subject to a separate hourly fee agreement with the client. The Firm will invoice clients periodically for such hourly fees, and they are payable upon receipt of the invoice.

Fee Billing

BFA bills for advisory services quarterly, in arrears, meaning that we invoice clients after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account and paid to us by the client's custodian to facilitate billing. The client must consent in advance to direct debiting of their investment account.

General Fee Disclosure

We believe our investment management fees are competitive with the fees charged by other investment advisors in the San Francisco Bay area for comparable services. However, comparable services may be available from other sources for lower fees than those charged by BFA.

Other Fees

Where BFA uses mutual funds in client portfolios, clients will incur an additional level of fees, those charged by the mutual-fund management. Mutual fund managers also incur other expenses, such as trading charges, which reduce client returns. BFA does not benefit from any mutual-fund fees.

Unless clients direct otherwise in writing, BFA will select brokers, dealers and other agents to implement the transactions for client accounts, and may aggregate orders with those of other clients. BFA will select the brokers, dealers, and other agents by evaluating the services provided and the fees charged. Accordingly, the brokers, dealers, and other agents may not necessarily charge the lowest fees and commissions available. BFA will make every effort to obtain the best price and the most favorable commission terms for you. Any brokerage commissions, stock transfer fees and other similar charges incurred with respect to transactions in the Managed Portfolio will be paid directly from the Managed Portfolio and are separate from and in addition to fees payable to us.

BFA may refer clients to other professionals to obtain services not provided by BFA. BFA receives no compensation for making such referrals. In addition, BFA may use outside consultants for tax planning, estate planning, insurance needs and other issues. Any fees charged by such consultants will be in addition to those charged by BFA for ongoing advisory services. BFA will obtain client approval before incurring any consultant fees.

Item 6 - PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT

No Sharing of Capital Gains

BFA does not use a performance-based fee structure, where compensation is based on a share of capital gains or capital appreciation, because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees

allows BFA to participate in the growth of the client's investment portfolio. This also means that our fees can decline when the client's portfolio declines in value.

Item 7 - TYPES OF CLIENTS

Description

BFA provides services primarily to individuals, families, and trusts. The Firm does not require a minimum dollar value of assets or other conditions for client engagements. However, BFA does charge minimum fees as described above in "Fees and Compensation."

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

Methods of Analysis

Security analysis methods at BFA include fundamental analysis. The main sources of information include Morningstar reports, fund prospectuses, financial newspapers and magazine, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports. Employees of BFA also attend on- and off-site visits with fund representatives and portfolio managers, conference calls, and industry conferences.

Investment Strategies

The primary investment strategy for client accounts is strategic asset allocation. We may use passively managed index and exchange-traded funds when appropriate for the client as well as actively managed funds where there are opportunities to make a difference by security selection. Portfolios are generally globally diversified.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is a risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 - DISCIPLINARY INFORMATION

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Financial Industry Activities

BFA does not participate in any other industry business activities.

Affiliations

BFA does not have arrangements that are material to its advisory business or its clients with any related person.

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

Code of Ethics

The employees of BFA have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). These commitments include: putting the client's interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

BFA and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

The Chief Compliance Officer of BFA is Milo M. Benningfield. Milo reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees was not based on inside information and that clients receive preferential treatment. The trades are not of a significant enough value to affect the securities markets.

Item 12 - BROKERAGE PRACTICES

Selecting Brokerage Firms

BFA does not have any affiliation with any bank, custodian, or broker-dealer firm. BFA recommends specific custodians to clients based on their need for such services and based on the proven integrity and financial responsibility of the firm, the best execution of orders at reasonable commission rates, and the quality of client service.

BFA recommends discount brokerage firms and trust companies (qualified custodians), such as Fidelity and State Street. BFA does not receive fees or commissions from any of these arrangements, although BFA may benefit from electronic delivery of client information, electronic trading platforms and other services provided by custodians for the benefit of clients. BFA may also benefit from other services provided by custodians such as research, continuing education, and practice-management advice. These benefits are standard in a relationship with these custodians and are not in return for client recommendations or transactions.

BFA reviews the execution of trades at each custodian annually. Trading fees charged by the custodians are also reviewed annually. BFA does not receive any portion of the trading fees.

Soft Dollars

BFA is not a party to any formal soft dollar arrangements whereby it receives brokerage services or investment research in exchange for commissionable client transactions.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Item 13 - REVIEW OF ACCOUNTS

Periodic Reviews

Investment management accounts are reviewed periodically. More frequent account reviews may be triggered by excess cash accumulation, deposits, withdrawals, or asset class allocations that depart significantly from those specified in the investment policy. An investment account database is maintained for all investment management clients in order to facilitate ongoing reviews. Financial planning reviews are generally conducted annually.

Milo M. Benningfield and Gilden Chung perform account reviews. An Investment Policy Statement is prepared for all investment management clients and this policy statement determines the parameters of the review. There is currently no limit on the number of accounts that can be reviewed by a reviewer.

Regular Reports

Clients receive periodic communications on at least an annual basis. The written updates may include performance analysis and asset-allocation reports from our portfolio-accounting software as well as other portfolio graphs and reports as needed.

Net Worth Statements

At times BFA provides clients account statements, net worth statements, and net worth graphs that are generated from our portfolio accounting and financial-planning software. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land, limited partnerships, real estate and other hard-to-price assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Incoming Referrals

BFA has been fortunate to receive many client referrals over the years from sources such as current clients, estate planning attorneys and accountants. The Firm does not pay for referrals.

Referrals to Other Professionals

BFA does not accept referral fees or any form of remuneration from other professionals when we refer a client or anyone else to them.

Item 15 - CUSTODY

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are encouraged to review carefully the statements provided by their custodians and to compare these statements with any statements provided by BFA.

Item 16 - INVESTMENT DISCRETION

Discretionary Authority for Trading

BFA accepts discretionary authority to manage securities accounts on behalf of clients. BFA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

Clients must sign a limited power of attorney before BFA is given discretionary authority. The limited power of attorney is included in the qualified custodian's account application for our main custodians. For accounts not held with our main custodians, clients may sign a separate limited power of attorney document giving discretionary authority to BFA.

Item 17 - VOTING CLIENT SECURITIES

Proxy Votes

BFA does not vote proxies on securities. Clients retain the right and obligation to vote any proxies relating to the securities held in their accounts.

Item 18 - FINANCIAL INFORMATION

Financial Condition

BFA does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients. BFA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. Neither the Firm nor its principal has been the subject of a bankruptcy filing in the last ten years, or ever.

BUSINESS CONTINUITY PLAN SUMMARY

General

BFA has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Loss of Key Personnel

BFA has signed a Business Continuation Agreement with another financial advisory firm to support BFA in the event of Milo M. Benningfield's permanent disability or death.