

Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of FAIRFIELD FINANCIAL ADVISORS, LTD. If you have any questions about the contents of this brochure, please contact us at: 781-431-1119, or by email at: info@fairfieldfinadvisors.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 FAIRFIELD FINANCIAL ADVISORS, LTD. is available on the SEC's website at www.adviserinfo.sec.gov

December 31, 2015

Material Changes

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

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 781-431-1119 or by email at: info@fairfieldfinadvisors.com.

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Advisory Business

Firm Description

FAIRFIELD FINANCIAL ADVISORS, LTD., ("FIRM") was founded in 1993.

FAIRFIELD FINANCIAL ADVISORS, LTD. provides personalized confidential financial planning and investment management to individuals, families, and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow analysis, investment tax planning, insurance review, investment management, planning for education funding, retirement planning, and estate planning overview.

FAIRFIELD FINANCIAL ADVISORS, LTD. is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted. All fees are paid by the client.

Investment advice is provided, with the client making the final decision on investment selection, unless it has been agreed upon between FAIRFIELD FINANCIAL ADVISORS, LTD. and the client, and upon the client's request, that FAIRFIELD FINANCIAL ADVISORS, LTD. take discretion. FAIRFIELD FINANCIAL ADVISORS, LTD. does not typically take discretion but may do so upon mutual agreement between the client and FAIRFIELD FINANCIAL ADVISORS, LTD. FAIRFIELD FINANCIAL ADVISORS, LTD. does not hold client assets as custodian. FAIRFIELD FINANCIAL ADVISORS, LTD. receives a limited power of attorney from clients to place trades with the client's custodian which, in most cases, is Charles Schwab & Co.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement and a letter. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are communicated to the client only if changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) 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.

The initial meeting, which may be in person or by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

JANE V. KING is a 100% stockholder.

Types of Advisory Services

FAIRFIELD FINANCIAL ADVISORS, LTD. provides investment supervisory services, also known as asset management services; furnishes investment advice through consultations; and provides information which clients may use to evaluate securities.

On more than an occasional basis, FAIRFIELD FINANCIAL ADVISORS, LTD. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of 12/31/2015, FAIRFIELD FINANCIAL ADVISORS, LTD. manages approximately \$151 million in assets for approximately 185 clients. Approximately \$128 million of that total is managed on a non-discretionary basis, which represents 177 clients.

Tailored Relationships

The goals and objectives of each client determine the portfolio design. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Investment Management Agreement

The following agreement defines the typical client relationship.

Most clients choose to have FAIRFIELD FINANCIAL ADVISORS, LTD. manage their assets in order to obtain ongoing advice and life planning. Realistic and measurable goals and objectives are set to reach those goals as defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. FAIRFIELD FINANCIAL ADVISORS, LTD. may aggregate family accounts for the calculation of management fees.

The annual Advisory Service Agreement fee is based on a percentage of the client's investable assets, unless otherwise specified, according to the following schedule:

- _1.50%_ on the first \$899,999;
- _1.25%_ on the next \$1,100,000 (from 900,000 to 2,000,000);
- _1.00%_ on the next \$3,000,000 (from 2,000,001 to 5,000,000);
- _0.75%_ on the next \$5,000,000 (from 5,000,001 to 10,000,000); and
- _0.50%_ on the assets above \$10,000,000.

The minimum annual fee is \$5,000 and is not negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Asset Management

Assets are invested primarily in no-load mutual funds and individual common stocks, usually through Charles Schwab & Co. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerage companies may charge a transaction fee for the purchase of some funds.

Individual bonds and exchange-traded funds may be purchased or sold through Charles Schwab when appropriate. The brokerage firm charges a fee for stock and bond trades. FAIRFIELD FINANCIAL ADVISORS, LTD. does not receive any compensation, in any form, from fund companies or brokerage firms.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable annuities, and mutual funds shares), U. S. government securities, and interests in partnerships.

Initial public offerings (IPOs) are not available through FAIRFIELD FINANCIAL ADVISORS, LTD..

Termination of Agreement

A Client may terminate the aforementioned agreement at any time by notifying FAIRFIELD FINANCIAL ADVISORS, LTD. in writing. Client is responsible for any unpaid fees as of the termination date.

FAIRFIELD FINANCIAL ADVISORS, LTD. may terminate the aforementioned agreement at any time by notifying the client in writing.

Fees and Compensation

Description

FAIRFIELD FINANCIAL ADVISORS, LTD. bases its fees on the greater of the minimum fee or a percentage of assets under management, unless otherwise specified.

FAIRFIELD FINANCIAL ADVISORS, LTD., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that the firm invoices the client 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 to facilitate billing, but the client may arrange to receive a physical copy of the invoice and pay by check.

Other Fees

Mutual funds charge asset management and/or administrative fees that are charged pro rata among their shareholders. These fees are in addition to the asset management fees charged by FAIRFIELD FINANCIAL ADVISORS, LTD.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

FAIRFIELD FINANCIAL ADVISORS, LTD. does not use a performance-based fee structure.

Types of Clients

Description

FAIRFIELD FINANCIAL ADVISORS, LTD. generally provides investment advice to individuals, families, small businesses, trusts, estates, charitable organizations, and corporations or other business entities.

Client relationships vary in scope and length of service.

Account Minimums

There is no minimum account size. There is a minimum annual management fee of \$5,000.

FAIRFIELD FINANCIAL ADVISORS, LTD. has the discretion to waive the account minimum. Other exceptions may apply to employees of FAIRFIELD FINANCIAL ADVISORS, LTD. and their relatives, or relatives of existing clients.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis method includes fundamental analysis which is the evaluation of a security based on the intrinsic value of the business including, but not limited to, its growth in earnings and sales revenue, its market share, financials, management quality, and its competitive advantage.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission,.

Other sources of information that FAIRFIELD FINANCIAL ADVISORS, LTD. may use include, but not limited to, Morningstar Principia mutual fund

information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, and the World Wide Web.

Investment Strategies

The primary investment strategy used on client accounts is a strategic asset allocation approach. This means that the firm recommends actively-managed funds, common stocks, fixed income securities, and exchange-traded funds as the core investments, and then add money market positions, passively-managed indices, or other investment instruments when requested by a client and deemed to be a strategic fit by the firm.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives by communication with the firm at any time.

Investment strategies will include long-term purchases, and short-term purchases.

Risk of Loss

All investment strategies 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 the 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. They carry a higher risk of

profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the current or forecasted economic environment is like.

- **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 of its stock.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

FAIRFIELD FINANCIAL ADVISORS, LTD. is registered as an investment advisor with the Securities Exchange Commission.

Jane King, as president of FAIRFIELD FINANCIAL ADVISORS, LTD., is a member of the National Association of Personal Financial Advisors (NAPFA).

Jane King also maintains a current membership with the Financial Planning Association (FPA).

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

Code of Ethics

The employees of FAIRFIELD FINANCIAL ADVISORS, LTD. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. 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

FAIRFIELD FINANCIAL ADVISORS, LTD. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the FAIRFIELD FINANCIAL ADVISORS, LTD. *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of FAIRFIELD FINANCIAL ADVISORS, LTD. is Lori A. Colella. All employee trades are documented in the trade blotter, and open to review by the Chief Compliance Officer and Jane V. King. Personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since

most employee trades are relatively small mutual fund trades, equity trades, or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

FAIRFIELD FINANCIAL ADVISORS, LTD. does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. FAIRFIELD FINANCIAL ADVISORS, LTD. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

FAIRFIELD FINANCIAL ADVISORS, LTD. recommends discount brokerage firms (qualified custodians), such as Charles Schwab & Co.

FAIRFIELD FINANCIAL ADVISORS, LTD. does not receive fees or commissions from any of these arrangements.

Best Execution

FAIRFIELD FINANCIAL ADVISORS, LTD., in almost all cases, executes trades through Charles Schwab & Co. and continuously reviews the execution of trades to ascertain that the client is getting best execution. Charles Schwab & Co. is a discount brokerage firm and FAIRFIELD FINANCIAL ADVISORS, LTD. believes that its commissions and brokerage fees are reasonable. FAIRFIELD FINANCIAL ADVISORS, LTD. does not receive any portion of the trading fees.

Soft Dollars

FAIRFIELD FINANCIAL ADVISORS, LTD. receives research from Charles Schwab & Company which is used for the benefit of all FAIRFIELD FINANCIAL ADVISOR, LTD.'s clients .

The selection of Charles Schwab & Company as a custodian for clients is not determined or affected by this service or product.

Order Aggregation

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

Review of Accounts

Account reviews are performed regularly by JANE V. KING, President. Account reviews are performed more frequently when market conditions dictate.

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's personal situation.

Each client receives a monthly statement directly from the custodian. Account reviews by the firm consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. The written updates may include a net worth statement, portfolio evaluation, and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

FAIRFIELD FINANCIAL ADVISORS, LTD. may receive client referrals from clients or legal or other financial professionals. The firm does not compensate referring parties for these referrals.

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, typically monthly. Clients should carefully review these account statements.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to statements provided by FAIRFIELD FINANCIAL ADVISORS, LTD.

Net Worth Statements

Clients may be provided with net worth statements. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning and overview discussions where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

FAIRFIELD FINANCIAL ADVISORS, LTD. does not take discretion unless requested by the client and mutually agreed upon by the client and FAIRFIELD FINANCIAL ADVISORS, LTD. FAIRFIELD FINANCIAL ADVISORS, LTD. does not have the authority to determine, without obtaining

client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold for those accounts for which FAIRFIELD FINANCIAL ADVISORS, LTD. does not take discretion.

For all those accounts deemed non-discretionary, the client approves the custodian to be used and the commission rates paid to the custodian. For all accounts, discretionary or non-discretionary, FAIRFIELD FINANCIAL ADVISORS, LTD. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Limited Power of Attorney

FAIRFIELD FINANCIAL ADVISORS, LTD. receives a limited power of attorney from clients to place trades with the client's custodian which, in most cases, is Charles Schwab & Co.

Voting Client Securities

FAIRFIELD FINANCIAL ADVISORS, LTD. does not vote proxies on securities. Clients are expected to vote their own proxies.

Financial Information

FAIRFIELD FINANCIAL ADVISORS, LTD. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because FAIRFIELD FINANCIAL ADVISORS, LTD. 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.

Business Continuity Plan

FAIRFIELD FINANCIAL ADVISORS, LTD. has a Business Continuity Plan in place that mitigates and recovers 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, Internet outage, railway accident and aircraft accident.

The firm's data environment will be protected by a Datto s500 Backup and Disaster Recovery appliance. This device protects against failure in three

ways: (1) there exists an image backup of the entire Virtual Machine (the firm's SBS server). This image is taken on a daily basis and can be mounted to "extract" flat files if needed; (2) an off-site copy of this image is sent out to a secure Cloud datacenter provided by the Datto vendor; and (3) the device itself can be used as a temporary replacement of the new Virtual Host where this image can be loaded and then function to keep the business up and running until the original Host is either fixed or replaced.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. Off-site access has been established in the event that access to the firm's main business office is not possible. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

It is the intention of FAIRFIELD FINANCIAL ADVISORS, LTD. that another employee of the firm, having passed the Series 65 exam, would be able to step in and act as investment advisor in the event of JANE V. KING's serious disability or death.

Information Security Program

Information Security

FAIRFIELD FINANCIAL ADVISORS, LTD. maintains an information security program to minimize the risk that personal and confidential information may be breached.

Privacy Notice

FAIRFIELD FINANCIAL ADVISORS, LTD. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

Since we only share information with non-affiliated third parties in order to service a client's account and carry on activities in the ordinary course of business, we are not required to provide an opt-out notice. We share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third

parties that require access to personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

FAIRFIELD FINANCIAL ADVISORS, LTD. requires that any employee involved in client support have, at a minimum, a bachelor's degree. Additionally, employees must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Jane V. King holds the designation of CFP as explained below.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully passed the Candidate Fitness Standards and background check.

PRINCIPAL EXECUTIVE OFFICER: JANE V. KING, CERTIFICATIONS

Educational Background:

- Date of birth: 8/15/1943
- Institutions (Year): University of Massachusetts, Boston, MA
B.S. French/Russian - 1965

Business Experience:

- Prior to starting FAIRFIELD FINANCIAL ADVISORS, LTD., Jane King held the position of Vice President at the Massachusetts Investors Trust Co. and at The Keystone Group.
- Following that, Jane King served as a Senior Vice President at Integrated Resources.

- From 1993 to the present, Jane King has been the sole shareholder and president of the firm.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None