



## **SEC FORM ADV Part 2A – FIRM BROCHURE**

**August 28<sup>th</sup>, 2020**

**For further information, please visit [www.afinitiv.com](http://www.afinitiv.com)**

ITEM 1. This brochure provides clients and prospective clients with information about Afinity LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client. If you have any questions about the content of this brochure, please contact Afinity LLC via email at [team@afinitiv.com](mailto:team@afinitiv.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Afinity LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

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## **ITEM 2. MATERIAL CHANGES**

- Management of Afinitiv LLC was transferred from Richard Macrae Gordon to Aptus Holdings Pty Ltd As Trustee for Afinitiv Group. Richard Macrae Gordon is the Managing Director of Aptus Holdings Pty Ltd.
- There were no other material changes.



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## ITEM 4. ADVISORY BUSINESS

### Description of the Firm

Afinitiv LLC is a Nevada domiciled limited liability company formed in 2019. We may operate under the name Afinitiv LLC. Mr Richard Macrae Gordon MBus DFP is Managing Member of Afinitiv LLC, a Federally Registered Investment Advisor (CRD: 305672). As of the time of preparation of this document, we had \$823.00 in assets under management.

### Description of Advisory Services Offered

Our firm's advisory services are limited to online automated investment advice, or 'robo-advice'. This provides guidance in relation to investment allocations, where the underlying asset allocation and specific investments are chosen by an in-house committee of investment experts. We do not offer other forms of advice, however we may provide general guidance, information and education to our clients regarding specific topics which may be helpful and relevant to their circumstances. We may also provide information to our clients about third party products and services which may be relevant to them.

### General Information

Afinitiv LLC does not provide legal or accounting services, insurance services, deposit products, lending/loans, or specific lending/loan advice. We may however provide information to our clients regarding third parties who may provide such services – and we may provide general guidance in relation to these matters in the form of Educational Content. In the event that a client utilizes the products and services of any such third party, they may charge the client a fee in addition to the fees they pay to us. In these instances, Afinitiv LLC may also receive a referral fee, or other consideration, from the third party. This may not always be the case – and the extent of the referral fee, commission, or other consideration may vary on a case-by-case basis.

While we will exercise our best judgment and good faith in providing our services to our clients – and in selecting the third party products or services about which we inform them, we do not guarantee the acceptability, value, or utility of the products or services you may receive from any such third party. We also cannot warrant or guarantee the achievement of a planning goal, or that any forecasts, or projections, will be realised. Future investment returns are not predictable – and past performance is not indicative of future results.

### Educational Content

Afinitiv LLC may provide educational content to clients and the general public through a variety of media. These may include video, infographics, special-purpose calculators, decision-making aids, text, live seminars, webinars, written articles, face-to-face meetings, voice calls and online chat. All content published by our firm will be available to clients at no additional cost.



## ITEM 5. FEE DESCRIPTION

Afinitiv LLC provides investment management through a third-party firm. The fee associated with our services are assessed as an annualised asset-based fee, which is based on the average daily balance during the previous month: billed, in arrears on or after the tenth day of each month, as per the following table:

Annual Rate
Afinitiv LLC “All in”
0.55%

TradingFront is the primary technology provider which we utilize as the front end of the client onboarding and advice processes in our firm. TradingFront is not a custodian, or a broker dealer and only provides technology solutions, inclusive of a sub-advisory agreement for automated rebalancing of client accounts. Afinitiv LLC pays the costs for services provided directly by to us by TradingFront. Brokerage fees charged by a broker dealer/custodian may be charged to our clients in addition to the “All in” fee mentioned above. These fees will vary with the level of activity on client accounts. In no instance will our firm receive a commission, either directly, or indirectly, when such fees charged.

Additionally to the “All in” fee mentioned above, our firm may receive referral fees, commissions, or other considerations from third parties when clients, or members of the general public, purchase, or employ the products and services, about which we may publish information via our website, via email, or via social media channels.

An agreement for services may be terminated at any time upon written notice of either Afinitiv LLC, or the client.

### Additional Client Fees

***Our firm does not charge any fees for account opening, account keeping, or account closure.*** Any transactional or service fees (sometimes termed brokerage fees), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian record. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, advisory fees paid to our firm for its services are separate from internal fees associated with mutual funds, ETFs, exchange-traded notes (ETNs) or other types of investments. Per annum interest at the current statutory rate in which the client resides may be assessed on fee balances due more than 30 days and we may refer past due accounts to collections or legal counsel for processing and collection. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relation to our brokerage practises are noted in items 12 and 14 of this document.



External Compensation for the Sale of Securities to Clients

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive “trailer” or SEC Rule 12B-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interest investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. Our clients retain the option to purchase recommended or similar investments through their own service provider at any time.

Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. Neither party may terminate the agreement verbally. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of the client’s intent to terminate. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.



## ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.



## ITEM 7. TYPES OF CLIENTS

We provide our services to individuals, families and organizations of all investment experience. We generally do not require minimum income, minimum asset levels or other similar preconditions for our services through this form of engagement, however, some minimum requirements may be imposed by custodians, or broker dealers and we are unable to influence this. We reserve the right to waive or reduce certain fees based on unique client circumstances, special arrangements, or pre-existing relationships. While Afinitiv LLC reserves the right to decline services to any prospective client for any non-discriminatory reason, we strive to provide our services to all who wish to use it.





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

We believe that the combination of an experienced investment committee, an extensive investment universe (the number and types of investments available to us for client portfolio construction) and a sophisticated investment platform provides the best opportunity for our clients to reach their goals.

Our core principles are a belief that the primacy of asset allocation with respect to market conditions and client circumstances are the best path to appropriate investment outcomes. In order to achieve investment outcomes which are appropriate from the perspective of return potential versus risk taken, we will employ a variety of investments, which may include passive exchange-traded funds, pre-packaged portfolios, actively managed investments, or other investments to construct client portfolios.

In portfolio construction, we will leverage market information, economic research, investment product research, portfolio modelling and back-testing. While we generally favour investment in ETFs and mutual funds, our ultimate portfolio construction decisions will be guided by your needs, as you have expressed them via one of our questionnaires, general conditions within financial markets and perceived opportunities for outsized gain relative to risk.

### **Investment Strategy and Method of Analysis of Material Risks**

Our firm believes that its portfolio construction philosophy is designed to maximise the return potential of client portfolios versus the level of risk taken. This however does not guarantee that any particular investment objective will be achieved and extended periods of negative performance are possible. Examples of the various types of risks faced when investing are presented in the following paragraphs.

#### **Systemic Risk**

When investing in securities of any kind, the investor is exposed to systematic risk (also known as market risk). This is the risk that an entire market, or market segment may be subject to investment losses. It is not possible to diversify away from this risk and it is neither possible to predict, nor to avoid.

#### **Company Risk**

When investing in equities, there is always a certain level of company, or industry-specific risk, which is inherent to each company or issuer. There is the risk that the company will perform poorly, or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced through diversification.

**Credit Risk**

The value of a fixed income security may decline, or the issuer or guarantor of that security may fail to pay interest or principal when due, as a result of adverse changes to the issuer's or guarantor's financial status and/or business. In general, lower-rated securities carry a greater degree of credit risk than higher-rated securities, although this may not always hold true.

**ETF Risk**

The risk of owning ETFs reflect their underlying securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the duplication of certain fees.

**Financial Risk**

Excessive borrowing to finance a business operation increases profitability risk 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.

**Index Investing**

Certain ETFs have the potential to be affected by "active risk" (also known as "tracking error risk"), which might be defined as a deviation from a stated benchmark.

**Inflation Risk**

When any type of inflation is present, a dollar next year will not buy as much as a dollar today because purchasing power is eroding at the rate of inflation.

**Passive Investing**

A portfolio which employs a passive, efficient markets approach has the potential risk at times to generate lower-than expected returns for the broader allocation than might be the case for a more narrowly focused asset class – and the return on each type of asset may be a deviation from the average return for the asset class.

**Political Risk**

The risk of financial or market loss because of political decisions or disruptions in a particular country or region. This is sometimes referred to as "geopolitical risk".

**QDI Ratios**

While various investment holdings may be known for their potential tax-efficiency and higher "qualified dividend income" (QDI percentages), there are asset classes within these investment vehicles or holding periods within which may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF, may be considered "non-qualified" under certain tax code provisions. A holding's QDI may be considered when tax-efficiency is an important aspect of a client portfolio.

**Research Data**

When research and analyses are based on commercially available software, ratings services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data – and the issuers themselves. While our firm makes a concerted effort to determine the accuracy of the information received – and to consider multiple sources, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not impact the investment management of an account. As is always the case, no amount of research will allow us to predict the future.



## **ITEM 9. DISCIPLINARY INFORMATION**

Neither the firm nor it's management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or it's integrity.



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

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our firm is not registered nor has an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- Accounting firm or accountant
- Bank, credit union or thrift institution
- Lawyer or law firm
- Pension Consultant
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships
- Trust company
- Issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund”, and offshore fund)

As part of our offering to you, we will, from time to time, provide information pertaining to third party products and services that may be of benefit to you. While this information will be based on our best understanding of the potential benefits of such products and services, we do not guarantee their quality or adequacy. We may receive financial remuneration in the form of fees, commissions, or other considerations, in an instance where our clients utilise these third party products and services. Any fees charged to you by these third party product and service providers are completely separate from fees charged by our firm.

Afinitiv LLC is wholly owned by Richard Macrae Gordon MBus DFP.



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

Afinitiv LLC holds itself to a fiduciary standard, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest.

Our firm will disclose to its advisory clients and material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

### Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

### Statement involving our Privacy Policy

We respect the privacy of all clients and prospective clients (collectively termed "customers"), both past and present. It is recognized that you have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

- Information clients provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, in relation to customer transactions.



The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (eg. Independent audit); or
- When permitted or required by law (eg. during a periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized to do so. This includes, for example, providing information about a spouse's IRA or to children about a parent's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its privacy policy on an annual basis per federal law and at any time, in advance if firm privacy policies are expected to change.

#### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor any associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (eg. an associate, an immediate family member etc.) has a material interest, such as in the capacity as a board member, underwriter, or adviser to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

Our firm remains focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees received for such services. We want to note that you are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our firm or a service provider whom we may recommend, or introduce.

#### Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade on its own account (eg. proprietary trading). The firm's related persons may buy or sell securities that are the same, or similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client.



In an effort to reduce or eliminate certain conflicts of interest involving personal trading (ie. trading ahead of a client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved internally, in writing, and personal trading accounts are reviewed on a quarterly basis. Please refer to ITEM 6. of the accompanying Form ADV Part 2B for further details.





## ITEM 12. BROKERAGE PRACTISES

### Factors Used to Select Broker/Dealers for Client Transactions

Afinitiv LLC does not maintain physical custody of your assets. Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry authority. Our firm is not a custodian, nor is there an affiliate that is a custodian.

We do not accept referral compensation from a custodian, or broker, that we may recommend to our clients; however, we utilize Interactive Brokers as our preferred custodian, and we receive a range of additional services from Interactive Brokers through their institutional brokerage platform, including trading, custody, reporting and related services; some of which may not be available to Interactive Brokers retail customers. Interactive Brokers also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. These may also benefit our advisory firm, but may not directly benefit a client account.

### Best Execution

In light of the nature of our firm's services through our investment consultation engagement (eg. held-away assets), it is believed "best execution" review obligations with regard to client transactions are not required under current industry guidelines.

### Directed Brokerage

We do not require or engage in directed brokerage involving investment consultation account, nor do we believe we are obligated to seek better execution services or prices from any provider. Since transactions are completed at a service provider of the plan's choice, they may pay more for their transactions.

### Aggregating Securities Transactions

Our firm is not engaged for continuous supervision of the account through an investment consultation agreement, nor do we have the type of investment authority over an account allowing aggregating ("batching") trades. Note that when trades are completed independently the account holder may pay more for the transaction than those accounts where trades have been aggregated.



## ITEM 13. REVIEW OF ACCOUNTS

### Schedule for Periodic Review of Client Accounts

Periodic financial check-ups or reviews are recommended. We believe they should occur on an annual basis whenever practical.

### Review of Client Accounts on Non-Periodic Basis

If you believe that your circumstances have changed, or are about to change, you should consider whether your current strategy is appropriate for your needs.

### Content of Client Provided Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you may receive account statements sent directly from mutual fund companies, transfer agents, plan administrators, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide portfolio “snapshots” to inform you as to the performance of your investments. You should carefully review and compare account statements that you have received from your custodian with any report you may receive from any source, including our advisory firm, if that report contains account performance information.



## ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Our firm does not receive economic benefit from an external source that we may recommend.

If we receive or offer an introduction to a client, we do not pay or earn referral fees, nor are there established quid pro quo arrangements. Each client retains the option to accept or deny such referral or subsequent services. There are however, instances in which we will receive a commission, referral fee, or other consideration from a third party product or service provider. These instances will typically occur when we have made available information about a third party product or service via email, social media, our website or other medium and one of our clients chooses to use this product or service.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide is to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to enquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.



## ITEM 15. CUSTODY

All client asset are held at independent qualified custodians.

Your custodian of record may provide you with investment account transaction confirmations and account statements, which will include all debits and credits for that period. Statements are provided on at least a quarterly basis or as transactions occur within your account. Our firm will not create an account statement for a client or serve as the sole recipient of an account statement.

Should you ever receive a report from our firm that includes investment performance information, you are urged to carefully review and compare your account statements you have received directly from the custodian of record with any performance-related report from our firm.



## **ITEM 16. INVESTMENT DISCRETION**

Clients typically hire Afinitiv LLC to provide investment management services, in which case trades are placed in a client's account without contacting the client prior to each trade to obtain the client's permission.



## ITEM 17. VOTING CLIENT SECURITIES

You may periodically receive proxies or other similar solicitations sent directly from your custodian or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of your securities, class litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

We may on occasion distribute information with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by them shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.



## ITEM 18. FINANCIAL INFORMATION

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm's advisory services and operational practices, nor has the firm or its management been subject to a bankruptcy petition.

Due to the nature of the firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

### Business Continuity Plan

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events which pose a significant disruption to its operations. A statement concerning the current plan is available upon request.

