



ADV, Part 2A

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This brochure and its accompanying brochure supplements provide information about the qualifications and business practices of AFS Advisors, LLC (“AFS Advisors”) and its key personnel. If you have any questions about the contents of this brochure, please contact us at 678-473-0324 and/or www.AFSadvisors.com. Neither the United States Securities & Exchange Commission, nor any state securities authority approves or verifies the information in this brochure.

AFS Advisors, LLC is an Investment Adviser registered with the United States Securities & Exchange Commission. Registration of an Investment Adviser does not imply any level of approved skill or training, nor does it imply approval of AFS Advisors’ business.

Find additional information about AFS Advisors, LLC on the SEC’s website at http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd_SiteMap.aspx

Item 2 – Material Changes

We have made the following changes to this Brochure:

Item	Description	What has changed...
4E	Assets under Management	Updated as of 12/31/20
8	Methods of Analysis, Investment Strategies & Risk of Loss	Updated to include Red Tortoise technology

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Item 4 - Advisory Business

A. AFS Advisors, LLC (“AFS Advisors”) is an Investment Advisor registered with the United States Securities & Exchange Commission. We began operations in 2011, and our principal owners are Eric C. Loyd, CFP®, AIF® and B. Keith Sproles MBA/CFS®.

B. Our advisory business involves two components: comprehensive **investment management services** for individuals, closely-held corporations, business entities, trusts and estates; and **corporate** (i.e., ERISA) **consulting services** for defined benefit, profit sharing plans and 401(k) plans.

Investment management services may include: analyzing existing assets, including allocation among asset classes; suggesting changes in the allocation of assets, and rebalancing those assets on an as-needed basis; selecting specific investments in equities, ETFs, fixed income instruments, and/or mutual funds; selecting other portfolio managers or investment advisers to help you achieve your stated goals and objectives.

Our corporate retirement plan consulting services include: quarterly economic and market developments; fee analysis and open-book accounting implementation; ongoing monitoring of existing funds, asset category and fund searches; investment policy statement creation; and model portfolio construction within the Plan’s offerings. 401(k) Plan support includes investment screening, model portfolio construction and plan participant education.

C. We tailor our advisory services to the individual needs of our clients, depending upon their investment objectives and risk tolerance. You may freely choose to invest in a variety of securities, or you may choose to restrict your investment in certain securities. Once initial portfolio investments are implemented, we review your portfolio on an ongoing basis to ensure that portfolio construction meets your investment goals and objectives. We strive to personally meet with all our clients on an annual basis, and engage in an “open-door” communication policy with you to fully understand and implement your investment goals.

D. We do not participate in wrap fee programs.

E. As of 12/31/19, we managed our clients’ assets on a discretionary basis, as follows:

<u>Discretionary basis</u>	<u>\$ 4,628,494,081</u>
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Total Assets under Management	\$ 4,628,494,081
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Item 5 - Fees and Compensation

A. We receive compensation for our advisory services through fees we bill to our clients. Under certain circumstances, fees may be negotiable.

We are not licensed to accept commissions from the sale of securities or “load” mutual funds.

Asset Management Fees for Individual Clients

Individual clients agree to management fees when they sign our Investment Advisory Agreement. Fees are calculated as a percentage of client assets under management. You may elect to have your fees deducted from your custodial account or billed by us directly – either method occurs on a quarterly basis, in arrears. This is our annual fee schedule, effective 1/1/2017:

First \$1,000,000 of assets under management	1.00%
Next \$1,000,000 of assets under management	.75%
Balances over \$2,000,000	.50%

We do not impose a minimum account size requirement, although we do assess a minimum annual fee of \$2,500. Clients may be able to obtain investment management services elsewhere at less expensive rates.

Consulting Fees for Corporate Pension and Profit Sharing Plans

Fees are based on a “time and cost” estimate associated with evaluating the client’s plan(s). Our minimum consulting fee is \$6,000, billed on a quarterly basis in arrears. All clients agree to fees by signing an Advisory Contract.

B. You may be charged management fees and expenses by mutual funds, custodians, brokers or other third-party consultants. You will also incur transaction and brokerage costs for most securities transactions. All of these fees are separate and distinct from our management fees, and we do not receive any of these “outside” fees. Please refer to **Item 12 - Brokerage**, in this Brochure for additional information on brokerage costs.

C. We do not require that you pay your fees in advance. Since either party may terminate the Investment Advisory Agreement in writing, we will refund any

Item 5 - Fees and Compensation (continued)

paid, but unearned fees. This is how we calculate pro-rated refunds: 1) we divide the number of client “invested” days in the quarter by the total number of days in that quarter and obtain a percentage; 2) we multiply that percentage by an amount that would represent that quarter’s total billing amount, so that 3) the result equals the pro-rated fee for that quarter.

D. We do not accept compensation for the sale of securities or other investment products. We do not accept 12b-1 fees for the marketing and/or distribution of mutual funds.

E.1. We recommend “no-load” mutual funds to our clients.

E.2. You have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

E.3. We do not generate revenue from commissions generated from the sale of investment products.

E.4. We do not charge commissions or markups.

E.5. We do not charge different fees based on the type of security transacted.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Types of Clients

We provide fee-only advisory services for two types of clients:

- Comprehensive **investment management services** for individuals, high net-worth individuals, closely-held corporations and business entities, trusts and estates; and
- **Corporate** (i.e., ERISA) **consulting services** for defined benefit, profit sharing plans and 401(k) plans.

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

We use several methods of analysis when formulating investment advice for our corporate (pension, 401k, defined benefit plan, etc.) and individual wealth management clients.

Quarterly, we screen individual mutual funds and ETFs with software from Zephyr, Morningstar and, occasionally, fi360. We look at a number of different data points, but most importantly, we focus on the peer rankings over 3 and 5-year time periods. In addition, we review each fund's performance against its benchmark, up/down capture, standard deviation and "batting average" as important data points. We do this for 25 to 30 asset categories, and the result is our *Quarterly Fund List*. Once we choose mutual funds or ETFs in a particular category we apply them as needed to our five model portfolios.

We employ *Red Turtle* and *Morningstar Total Rebalance Expert (tRex)* to create investment models and craft client portfolios to match those models. We created the following models - for taxable and non-taxable accounts that mirror our clients' risk tolerance profiles: (**Very Conservative, Conservative, Moderate, Moderately Aggressive and Aggressive**). We then assign client accounts to a particular model and gradually "groom" the account to match that model by buying and selling securities that reflect the model's allocation.

The advisors at AFS meet at least 3 times a year to discuss market conditions and make any necessary changes to the allocation models. Additionally, we set tolerances for portfolio weightings to allow for market fluctuations, without generating taxable events for our clients based on short-term market movements.

For our discretionary individual wealth management clients:

Due to the rebalancing and typical size of our clients' account(s), we normally recommend no-load, fee-waived mutual funds or ETFs. There may be specific instances in which the client will benefit from Class A mutual funds due to the size of the overall investment and/or the client's investment strategy.

Additionally, there are instances in which we'll use transaction-fee funds with cheaper expense ratios – again this is done on a case-by-case basis. In order to determine this, we'll analyze our client accounts and share class options twice a year. We'll start with the *Quarterly Fund List* mentioned above and try to determine if there is a cheaper share class that can be purchased through our custodians. We'll compare these cheaper share classes against each client's position in that fund and determine if the difference in the expense ratio is less than or greater than the transaction cost of the fund. We'll also factor in two rebalancing trades and make some assumptions about the client's cash flow needs. If it is determined that cost savings will be realized by using the cheaper

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss **(continued)**

share class (savings over the more expensive share class plus a few transaction charges) over an 18 month to 2-year time period, we'll work with our custodians the very next month (they set aside three days a month to target share class exchanges) to enact the necessary share class exchanges for the targeted clients. rebalancing trades and make some assumptions about the client's cash flow. If it is determined that cost savings will be realized by using the cheaper share class (savings over the more expensive share class plus a few transaction charges) over an 18 month to 2-year time period, we'll work with our custodians the very next month (they set aside three days a month to target share class exchanges) to enact the necessary share class exchanges for the targeted clients.

In addition to working with the funds on the *Quarterly Fund List* we also run management reports out of Morningstar that identify other funds in which our clients have meaningful assets invested. These may be legacy positions, transfers in, or just a new client who had been buying their own funds. In a process similar to our preferred funds, we'll check to see if there are cheaper share classes allowed by the custodian. If there are, we'll follow the same process outlined above with our "buy list" funds.

If clients have individual equity holdings (stocks) it is because stocks allow clients to better manage the tax implications of long-term investing. Stocks, however, are not suitable for all investors. Most of our clients' stock positions came to us through legacy holdings. Very rarely do we buy individual stocks for our clients. When we do, our screening process focuses on (1) the company's financial health; (2) management's use of excess capital (free cash flow); and (3) the company's (or industry's) growth prospects and overall analysts' opinions.

Item 9 - Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AFS Advisors or the integrity of our management. There have been no legal or material disciplinary actions brought against AFS Advisors through the date of this Brochure. Any such future legal or material disciplinary actions will immediately be communicated to all AFS Advisors clients.

Item 10 - Other Financial Industry Activities and Affiliations

- A. We are not registered nor do we have applications pending to register as a broker-dealer or registered representative of a broker-dealer. We do not accept commissions from the sale of securities.
- B. We are not registered nor do we have applications pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or associated person of the foregoing entities. We do not accept commissions from the sale of commodities.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. AFS Advisors abides by a written Code of Ethics that applies to all our supervised persons. We have a duty to establish high standards of conduct for our personnel, to protect our clients' nonpublic personal and financial information from misuse, and to require our employees to report their personal securities transactions.

Given our overarching fiduciary duty to our clients, we will conduct our business in a manner that supports our commitment of complete loyalty to our clients. We will also adhere to all federal and state securities laws and regulations.

Recognizing that all client information is confidential, we maintain physical, electronic, and procedural safeguards that comply with federal standards to safeguard this information and prevent its misuse.

With respect to personal trading, we require our employees and Investment Adviser Representatives to provide detailed securities holding and transaction reports on a regular basis. In addition, our employees are prohibited from trading in "restricted securities" or executing transactions that provide them with pricing advantages compared to our clients' securities transactions. Our Chief Compliance Officer reviews all employee trading records on a quarterly basis to ensure compliance with our Code of Ethics and Personal Securities Transactions Policy.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading (continued)

Please contact our office at 678-473-0324 for a copy of our Code of Ethics.

B. We do not recommend to our clients any securities in which we have a material financial interest.

C. We, for our personal and/or “family” accounts, may invest in the same securities as those we recommend to our clients. We base our trading decisions on prevailing market conditions and individual investment objectives. Since we are not market makers in any type of security, we do not consider this practice to be a conflict of interest for our clients.

D. We may buy and/or sell certain securities for our clients at or about the same time as we transact in those same securities for our own accounts. We prohibit our employees from knowingly timing their transactions in order to benefit from better pricing. Our Chief Compliance Officer reviews all employee trading records on a regular basis to ensure compliance with our Code of Ethics and our Personal Securities Transactions Policy.

Item 12 - Brokerage Practices

A. Brokerage Selection Process

We have discretion to choose brokerage services for our clients, based on factors other than commission rates. You may not pay the lowest available brokerage commission rate if we determine that such a rate does not represent the value of the related brokerage and its research services. Annually, we examine our business relationships with broker dealers, and research competitor services to determine which arrangements should be continued, deleted or added. We consider the following factors when selecting an executing broker dealer:

- Quality of overall execution services;
- Speed and accuracy of execution;
- Dedicated telephone and fax lines, email access and hours of operation;
- Dedicated representative or team;
- Creditworthiness, financial condition and business reputation;
- Research (if any) provided;

Item 12 - Brokerage Practices (continued)

- Ease of trading;
- Promptness and accuracy of hard copy and electronic reports of execution;
- Ability and willingness to correct trade errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market centers;
- Facilities, including any software or hardware provided to the adviser;
- Commission(s) charged;
- Historical commission rates;
- Reliability;
- Ability to use Electronic Communication Networks to gain liquidity, price improvement, lower commission rates and anonymity;
- Execution and operational capabilities of its clearing firm(s);
- Regulatory deficiencies (if any);
- Fulfillment of custody obligations; and
- Data security.

Suggested Brokers

We participate in the institutional brokerage programs at Charles Schwab (“Schwab”) and TD Ameritrade (“TDA”). These custodians are FINRA-registered, SIPC member broker dealers. We recommend Schwab and TDA to those clients who need custodial brokerage services. For our participation in this program, we receive certain non-financial benefits over and above execution of transactions.

Research and Other “Soft Dollar” Benefits”

The products and services that we receive other than execution help to serve all our clients, and are called “soft dollar benefits.” They include: duplicate client confirmations and bundled duplicate statements; access to a dedicated trading desk and customer service team that serve advisor participants exclusively; access to an aggregate trading platform and structured order trading strategies; account re-balancing tools; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; compliance publications; in-person and web-based educational seminars; and access to mutual funds which otherwise require significantly higher minimum initial investments or are generally available only to institutional investors.

Schwab and TDA also provide consulting services, publications, and presentations in the following areas: practice management, information technology, business succession, and marketing. Schwab and TDA may arrange

Item 12 - Brokerage Practices (continued)

for, discount, waive and /or pay for these services if the services are provided by independent third-parties.

Soft Dollar benefits do not necessarily depend upon the proportion of transactions or assets in custody we direct to Schwab and/or TDA.

1. The soft-dollar benefits we receive from Schwab and TDA are benefits because we do not pay for them.
2. We may consider soft-dollar benefits as incentives to use Schwab and/or TDA, as they benefit all our clients. Our interest in receiving these benefits may outweigh our clients' interests in receiving most favorable execution alone.
3. By receiving soft-dollar benefits, our clients may pay commissions or markups higher than those charged by other broker-dealers.
4. We use the soft-dollar benefits we receive to service all of our client accounts. We do not allocate soft-dollar benefits among client accounts in proportion to their account balances.
5. Within the past fiscal year, we received soft-dollar benefits as described above.

Using Brokerages for Client Referrals

We do not consider, in selecting or recommending broker-dealers, whether we receive referrals from them or their related third parties.

B. Aggregate Trading

Sometimes we execute a particular transaction on a larger, aggregate basis and receive uniform pricing on it. We do this for convenience, with no harm to our clients. We continually monitor the financial markets, and will make aggregate trading decisions on a case-by-case basis.

Item 13 - Review of Accounts

A. We review client accounts on a quarterly basis. The level of the review depends upon the client's financial situation, and takes into account the current economic and investment climate, the need for account rebalancing, tax considerations and the client's overall investment goals.

These are the AFS Advisors personnel who review client accounts:

Item 13 - Review of Accounts (continued)

Reviewer	Title
Eric C. Loyd, CFP®, AIF®	President & Chief Compliance Officer
B. Keith Sproles, MBA/CFS®	Chief Operating Officer & Chief Investment Officer
Richard L. Holland, AIF®	Investment and ERISA Consultant

B. We review client accounts on a quarterly basis.

C. We provide quarterly investment reports and fee statements to our clients. Investment reports contain portfolio positions, time-weighted returns, and realized and unrealized gains and losses. All quarterly reports are delivered electronically via a secure client portal on our website, www.afsadvisors.com. Clients receive monthly account statements from their custodian.

Item 14 - Client Referrals and Other Compensation

We do not directly or indirectly compensate any person for client referrals.

Item 15 - Custody

On February 21, 2017, the SEC provided investment advisors with additional guidance on how its Custody Rule applies to third-party money movement (transactions between client accounts that are not identically registered). We have amended some of our money movement practices in order to comply with this new guidance. Additionally, we now claim custody for 3rd party transactions where we hold an executed Standing Letter of Authorization.

All our client funds and securities are held at an independent qualified custodian (Charles Schwab or TD Ameritrade). We rely on our clients' custodians to send monthly account statements directly to our clients. These statements show that

Item 15 – Custody (continued)

client-approved advisory fees are deducted directly from the clients' accounts on a quarterly basis.

We send quarterly statements to our clients, as described above in **Item 13 – Review of Accounts**. Clients can compare the statements they receive from their custodian to those we send them, and reconcile the security positions and values in their investment accounts. Our statements include the following recommendation:

We urge you to review the attached Quarterly Review and compare it to the monthly statement you receive directly from your independent custodian. If you have any questions, please do not hesitate to call our office.

All AFS Advisors clients are able to access their investment accounts on-line at www.SchwabAlliance.com and/or www.tdameritrade.com. Clients create their own log-ins and passwords on these websites. In accordance with our Code of Ethics, we do not have access to clients' account log-ins and passwords.

Item 16 - Investment Discretion

We manage our client accounts on a non-discretionary basis. Clients are free to transact for themselves, and this constitutes non-discretionary trading.

Discretionary authority means that we identify securities to be bought and sold, allocate and rebalance assets, determine the amount of such transactions, and negotiate commission rates for these transactions. We exercise this discretion so that it is consistent with your investment objectives.

Prior to exercising our discretionary authority over your accounts, we obtain your written approval via an **Investment Advisory Agreement** and **Limited Power of Attorney**.

Item 17 – Voting Client Securities

A. As a matter of firm policy and practice, we do not accept authority to vote client securities. You may obtain a copy of our **Proxy Voting, Tender Offer & Class Action Policies** by calling our office at 678-473-0324.

B. You will generally receive proxies and other solicitations directly from your custodians and/or transfer agents. You are responsible for voting those proxies. For managed ERISA plans, the Plan Sponsor (i.e. client) retains responsibility for voting proxies. If you have questions about a particular solicitation, please call our office at 678-473-0324.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures.

A. We do not require or solicit pre-payment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to provide our most recent fiscal year balance sheet as an attachment to this ADV.

B. We hold no financial conditions that would impair our ability to meet contractual commitments to our clients.

C. We have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 – Requirements for State-Registered Advisers

A. Executive Officers' Education and Business Background

Officer	Post-Secondary Education and Professional Designations	Role at AFS / Other Business Background
Eric C. Loyd, CFP®, AIF®	<p>BS – Accounting, Louisiana State University, 1990</p> <p>AIF® - Center for Fiduciary Studies, 2007</p> <p>CFP® Practitioner – Certified Financial Planner Board, 2014</p>	<p>President and Chief Compliance Officer, AFS Advisors, LLC January 2011 to present</p> <p>Partner, RKWE, LLC July 2014 to present</p> <p>VP of Marketing and Chief Compliance Officer, Advanced Financial Strategists, Inc. May 2004 – December 2010</p> <p>Investment Adviser Representative, Advanced Financial Strategists, Inc. May 2004 to December 2017</p> <p>Relationship Manager and Regional Manager, AMVESCAP Retirement, Inc. May 1993 – April 2004</p>
B. Keith Sproles, MBA/CFS®	<p>BBA – Finance, University of Georgia, 1995</p> <p>MBA – Finance, Georgia State University, 1999</p> <p>CFS® – 2006</p>	<p>Chief Operating Officer and Chief Investment Officer, AFS Advisors, LLC January 2011 – present</p> <p>Chief Investment Officer, Advanced Financial Strategists, Inc. March 2004 – December 2010</p> <p>Investment Adviser Representative, Advanced Financial Strategists, Inc. March 2004 to December 2017</p> <p>Director of Investment Services, AMVESCAP Retirement, Inc., Oct. 1999 – March 2004</p>

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Key to Professional Designations

Designation		Authorized By...
AIF®	Accredited Investment Fiduciary	Center for Fiduciary Studies (fi360) *
CFS®	Certified Fund Specialist®	Institute of Business and Finance
CFP®	CERTIFIED FINANCIAL PLANNER™	Certified Financial Planner Board

*The Center for Fiduciary Studies owns the mark AIF®, which it awards to individuals who successfully complete initial and ongoing accreditation requirements.

- B.** Our sole business is investment advisory services.
- C.** We receive no compensation from performance-based fees.
- D.** No one at AFS Advisors has been involved in the following investment-related events: 1) liability as a result of an arbitration claim alleging damages in excess of \$2500 or 2) liability as a result of a civil, self-regulatory organization, or administrative proceeding.
- E.** No one at AFS Advisors maintains a relationship with any issuer of securities.

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