

Benningfield Financial Advisors, LLC

Form ADV Part 2A, Brochure

March 28, 2022

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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 Milo Benningfield, Chief Compliance Officer, at 415-561-6688 or milo@benningfieldadvisors.com. 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 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

There have been no material changes made to this Brochure since the January 20, 2021 annual update filing.

Benningfield Financial Advisors, LLC's Chief Compliance Officer, Milo Benningfield, is available to address any questions about this Brochure or any conflicts of interest presented.

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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 of 1974 (“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. |
| Disclosures related to rollovers and other options for employer sponsored retirement plans. | Item 4 of this Form ADV Part 2A. |
| Statements that the services that Advisor will provide to covered ERISA plans or individual retirement accounts will be as a fiduciary under Title 1 of ERISA and/or the Internal Revenue Code | 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 4A

Principal Owner

Milo M. Benningfield, Managing Member and Chief Compliance Officer owns 100% of the interests in Benningfield Financial Advisors, LLC.

Firm Description

Founded in 2003, Benningfield Financial Advisors, LLC (“BFA”) or (the “Firm”) provides integrated financial planning and investment management to individuals, families, pension and profit-sharing plans, charitable organizations, and trusts. BFA and its staff are subject to principles of fiduciary duty, which dictate that the Firm conducts 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 Brochure 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”).

Client investment assets managed by BFA are held by independent qualified custodians, including Fidelity Investments, Fiduciary Trust Company, or others. 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 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.

For trustee-directed plans governed by ERISA, BFA may be engaged to provide discretionary investment advisory services whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, BFA will serve as an investment fiduciary as that term is defined under ERISA. BFA will generally provide services on an “assets under management” fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm.

If requested to do so, BFA may also provide investment advisory services relative to an individual client’s 401(k) plan assets. In such event, BFA shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. BFA is limited to making recommendations about the allocation of the assets among the investment alternatives available through the plan. BFA will not receive any communications from the plan sponsor or custodian, and it is the client’s ongoing obligation to notify BFA of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

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 reasonable 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.

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.

Miscellaneous Disclosures

Limitations of Financial Planning and Consulting Services. BFA will generally provide financial planning, and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. inclusive of its advisory fee set forth at Item 5 below (exceptions may occur based upon assets under management, special projects, etc. for which BFA may charge a separate fee, or a stand-alone financial planning engagement). BFA does not serve as an attorney (although BFA's principal, Milo Benningfield, is a licensed attorney, he does not provide legal services, and no attorney-client privilege is created as result of a client's engagement of BFA), accountant, or insurance agent, and no portion of our services should be construed as legal, accounting, or insurance implementation services. Accordingly, BFA does not prepare estate planning documents, tax returns, or sell insurance products. Unless specifically

agreed in writing, neither BFA nor its representatives are responsible to implement any financial plans or financial planning advice; or provide ongoing monitoring of financial plans or financial planning advice. Clients retain absolute discretion over all financial planning and related implementation decisions and are free to accept or reject any recommendation from BFA in that respect. BFA's financial planning and consulting services are completed upon communicating its recommendations to the client, upon delivery of the written financial plan, or upon termination of the applicable agreement. To the extent requested by a client, BFA may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.) The client is not obligated to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from BFA and its representatives.

Retirement Plan Rollovers - No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If BFA recommends that a client roll over their retirement plan assets into an account to be managed by BFA, such a recommendation creates a conflict of interest if BFA will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that BFA recommends that clients roll over assets from their retirement plan to an IRA managed by BFA, then BFA represents that it and its investment adviser representatives are fiduciaries under ERISA, or the Internal Revenue Code, or both. No client is under any obligation to roll over retirement plan assets to an account managed by BFA.

ERISA / IRC Fiduciary Acknowledgment. When BFA provides investment advice to a client about the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. Because the way BFA makes money creates some conflicts with client interests, BFA operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's. Under this special rule's provisions, BFA must: meet a professional standard of care when making investment recommendations (give prudent advice);

never put its financial interests ahead of the client's when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that BFA gives advice that is in the client's best interest; charge no more than is reasonable for BFA's services; and give the client basic information about conflicts of interest.

Client Obligations. When performing its services, BFA is not required to verify any information received from the client or from the client's designated professionals and is expressly authorized to rely on that information. Clients are responsible to promptly notify BFA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing or amending BFA's services or previous recommendations.

Dimensional Fund Advisors. BFA may allocate client investment assets to mutual funds issued by Dimensional Fund Advisors ("DFA"), which are generally only available through selected registered investment advisers. Therefore, upon the termination of BFA's services, clients invested in DFA funds may experience restrictions on the transfer, additional purchases, or reallocation among DFA funds.

Portfolio Activity. As part of its investment advisory services, BFA will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods when BFA determines that upon review, trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

Margin / Securities Based Loans. BFA does not recommend the use of margin for investment purposes. However, if a client determines to take a margin loan that collateralizes a portion of the assets that BFA is managing, BFA's investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan. Without limiting the above, BFA may recommend that a client establish a margin loan or a securities-based loan (collectively, "SBLs") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. Unlike a real estate-backed loan, an SBL has the potential benefit of enabling borrowers to access funds in a shorter period of time, providing greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the

potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts. If BFA recommends that a client apply for an SBL instead of selling securities that BFA manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which BFA's investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by BFA. Likewise, the same ongoing conflict of interest is present if a client determines to apply for an SBL on their own initiative. These ongoing conflicts of interest would persist as long as BFA has an economic disincentive to recommend that the client terminate the use of SBLs. If the client were to invest any portion of the SBL proceeds in an account that BFA manages, BFA will receive an advisory fee on the invested amount, which could compound this conflict of interest. If a client accesses an SBL through its relationship with BFA and the client's relationship with BFA is terminated, clients may incur higher (retail) interest rates on the outstanding loan balance. Clients are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although BFA seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender as applicable, and contact BFA's Chief Compliance Officer with any questions about the use of SBLs.

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, 2021, BFA managed approximately \$216,213,354 in assets 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, which is generally non-negotiable, is based on a percentage of the market value of the assets that we manage and is calculated on a tiered basis as follows:

| Portfolio Value | Fee |
|--------------------------------------|-------|
| First \$3,000,000 | 1.00% |
| Next \$3,000,001 to \$5,000,000 | 0.75% |
| Next \$5,000,001 to \$10,000,000 | 0.50% |
| Remaining amounts above \$10,000,000 | 0.25% |

Accounts belonging to spouses and immediate household members may be combined in applying the fee schedule above. Unless BFA agrees otherwise in writing, account assets consisting of cash and cash equivalent positions are included in the value of an account's assets for purposes of calculating the fee.

Fees are calculated annually and then billed in quarterly installments, in arrears. 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. A minimum quarterly fee of \$7,500 is assessed if the value of a client's managed portfolio at the time of the annual fee calculation is below \$3,000,000. Please refer to Item 7 below for more information.

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 \$7,500 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 \$7,500 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 and Termination

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.

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.

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. Certain legacy clients may have accepted different pre-existing service offerings and may therefore receive services under different fee schedules than as set forth above.

Other Fees

BFA generally recommends that National Financial Services, LLC / Fidelity Clearing and Custody Solutions, an SEC-registered and FINRA member broker dealer (“Fidelity”), serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers charge transaction fees for executing certain securities transactions according to their fee schedule and they or their affiliated or unaffiliated custodians impose additional charges for custodial services and other fees associated with maintaining the client’s account. Without limiting the foregoing, clients may be required to pay certain charges and administrative fees related to their investment advisory accounts, including, but not limited to transaction charges (including mark-ups and mark-downs) resulting from trades executed through or with a broker-dealer other than the designated broker-dealer/custodian, transfer taxes, transfer or wiring fees, odd lot differentials, exchange fees, interest charges, American Depositary Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client’s pro rata share of the fund’s management fee and other fund expenses. These fees and expenses are described in each fund’s prospectus or other offering documents. The fees charged by the applicable broker-dealer/custodian, and the charges imposed by the respective funds are in addition to BFA’s investment advisory fees referenced in this Item 5. BFA does not benefit from any such fees.

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 currently provides services to individuals, families, pension and profit-sharing plans, charitable organizations, and trusts. BFA, in its sole discretion, may waive or modify its \$7,500 minimum quarterly fee, charge a lesser investment advisory fee and/or a charge a flat fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. Clients maintaining less than \$3 million of assets under BFA's management, which are subject to the \$7,500 minimum quarterly fee, will pay a higher percentage quarterly fee than the 1.00% referenced in the fee schedule at Item 5 above. BFA's Chief Compliance Officer, Milo Benningfield, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by BFA) will be profitable or equal any specific performance levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a

result, it is also possible that asset values may decrease, and client account values could suffer a loss.

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.
- **Cash and Cash Equivalent Risk:** Investments in cash and cash equivalents could cause a client to miss upswings in the markets. BFA's advisory fee could exceed the interest income from holding cash or cash equivalents.

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

BFA does not participate in any other industry business activities. Neither BFA, nor its representatives are registered or have an application pending to register as: a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or a representative of the foregoing. BFA does not have arrangements that are material to its advisory business or its clients with any related person. While BFA's Managing Member and Chief Compliance Officer Milo Benningfield, is a licensed attorney, he does not provide legal services, and no attorney-client privilege is created as result of a client's engagement of BFA. Accordingly, Mr. Benningfield's law license does not present a conflict of interest. BFA does not recommend or select other investment advisers for our clients and receive direct or indirect compensation as a result.

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

If a client requests that BFA recommend a broker-dealer/custodian for execution or custodial services, BFA generally recommends that investment management accounts be maintained at Fidelity. Before engaging BFA to provide investment management services, clients enter into an agreement with BFA setting forth the terms and conditions for the management of their assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Depending on which broker-dealer/custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing that could cause differences in account performance.

When seeking “best execution,” from a broker-dealer, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution when considering the full range of a broker-dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Although BFA cannot guarantee that clients will always experience the best possible execution available, BFA seeks to recommend a broker-dealer/custodian that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. BFA considers a wide range of factors when recommending a broker-dealer/custodian, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for client accounts);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.);
- Quality of services (including research);

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability; and
- Prior service to BFA and its other clients.

Fidelity is compensated for its services according to its fee schedule, generally by charging clients commissions or other fees on trades that it executes or that settle into their Fidelity account. Although BFA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for all client account transactions. The fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, BFA's investment advisory fees. Fidelity charges clients a flat dollar amount as a "prime broker" or "trade-away" fee for each trade that BFA executes by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited or settled into the client's Fidelity account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Therefore, in an attempt to minimize client trading costs, BFA directs Fidelity to execute most if not all trades for client accounts. When doing so, BFA has determined that having Fidelity execute most trades is consistent with the duty to seek "best execution" of client trades.

Non-Soft Dollar Research and Additional Benefits

While BFA does not receive traditional "soft dollar benefits," BFA and by extension, its clients receive access to certain institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. Fidelity also makes various support services available to BFA. Some of those services help BFA manage or administer its clients' accounts; while others help it manage and grow its business. Fidelity's support services generally are available on an unsolicited basis (BFA does not have to request them) and at no charge to BFA.

Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which BFA might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. These services benefit BFA's clients and their accounts.

Fidelity also makes other products and services available to BFA that benefits BFA but may only indirectly benefit its clients or their accounts, such as investment research developed by Fidelity or third parties that BFA may use to service clients' accounts. In addition to investment research, Fidelity also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from other clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Fidelity may offer other services intended to help BFA manage and further develop its business. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal and business needs;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to BFA. Fidelity may discount or waive its fees for some of these services or pay all or a part of a third party's fees. Fidelity can also provide occasional business meals and entertainment for BFA's personnel.

Referrals from Broker-Dealers

BFA does not receive referrals from broker-dealers.

Directed Brokerage

BFA does not generally accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer). In those client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and BFA will not seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. If the client directs BFA to execute securities transactions for the client's accounts through a specific broker-

dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to execute account transactions through alternative clearing arrangements that may be available through BFA. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed after the execution of portfolio transactions for non-directed accounts.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. Notwithstanding, to the extent that BFA provides investment advisory services to its clients, the transactions for each client account generally will be executed independently, unless BFA decides to purchase or sell the same securities for several clients at approximately the same time. BFA may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates, or to equitably allocate differences in prices and commissions or other transaction costs among BFA’s clients, which might have been obtained if the orders were placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. BFA will not receive any additional compensation as a result.

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 Michael Johnson 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

Economic Benefits

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 compensate individuals or entities for any referrals or prospective client introductions.

As indicated at Item 12 above, BFA receives support services and products from Fidelity without cost or at a discount. BFA's clients do not pay more for investment transactions executed or assets maintained at Fidelity or any other institution as result of this arrangement. There is no corresponding commitment made by BFA to Fidelity, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangements.

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

If authorized by clients, BFA may deduct its fees from clients' managed brokerage accounts held at qualified custodians. These qualified custodians provide at least quarterly account statements directly to clients at their address of record. Clients are encouraged to carefully review 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 snowstorms, 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.

Benningfield Financial Advisors, LLC's Chief Compliance Officer, Milo Benningfield, is available to address any questions about this Brochure or any conflicts of interest presented.