

Form ADV Part 2A: Firm “*Brochure*”

Item 1: Cover Page

Aufman Associates Inc.

2200 Georgetown Drive
Suite 401
Sewickley, PA 15143

www.aufmanassociates.com

March 31, 2023

This brochure provides information about the qualifications and business practices of Aufman Associates Inc. If you have any questions about the contents of this brochure, please contact us at (724) 934-5600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration with the SEC as an investment adviser does not imply that Aufman Associates Inc. or any principals or employees of Aufman Associates Inc. possess a particular level of skill or training in the investment advisory or any other business.

Additional information about Aufman Associates Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Updated the auditor in Item 15: Custody.

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Item 4: Advisory Business

Aufman Associates Inc. has been offering personal financial counseling and investment advisory services to clients since the early 1970s, first as a division of a pension portfolio management firm, and since 1983, as an independent firm. We are owned solely by senior members of the firm.

In addition to ongoing investment management, we provide advice on balance-sheet/asset management, income tax planning and coordination, cash-flow management, employee benefit programs (including insider regulations and other special issues), retirement planning, life insurance and estate planning, education planning, and family office services.

We tailor our investment management services to the individual needs of each client, based on their risk tolerance, cash flow needs, tax circumstances, life expectancy, etc. Clients may impose restrictions on investing in certain securities or types of securities.

As of December 31, 2022, regulatory assets under management (AUM) totaled approximately \$716 million on a discretionary basis.

Senior Management

Edward B. Aufman, President since 2014, Chief Operations Officer since 2006
Born: 1976
Education: BS Industrial Management, Carnegie Mellon University, 1998
Holds the CERTIFIED FINANCIAL PLANNER™ certification
Joined Aufman Associates in 1995

William J. Gaffey, Vice President since 2014, Chief Compliance Officer since 2004
Born: 1972
Education: BFA Industrial Design, Carnegie Mellon University, 1994
Holds the Chartered Financial Analyst® designation
Joined Aufman Associates in 1997

Edward J. Aufman, Chairman since 2014
Born: 1945
Education: BS Business Management, University of Dayton, 1967
Founded Aufman & Associates in 1983

We use a team approach to provide the best advice we can and to ensure that each team member is properly supervised.

Item 5: Fees and Compensation

We charge the following annual fees:

	Productive Assets	% of Productive Assets
First	\$1,000,000	1.125%
Next	1,000,000	0.850%
Next	3,000,000	0.580%
Next	3,000,000	0.280%
Over	8,000,000	0.270%

Minimum annual fee for all services is \$6,000.

Family Member Accounts/Courtesy Accounts qualify for a waiver of the Minimum Annual Fee with a fee based on productive assets of 1.25%.

We invoice fees on a quarterly basis in mid-quarter based on prior quarter-ending valuation. Services may be terminated at any time. If services are terminated, we will invoice fees to the agreed-upon date of termination or will refund any prepaid amount.

We generally deduct fees from clients' assets, but clients may request to have fees billed to them instead.

Productive Assets exclude residences, personal assets, checking accounts, insurance values, or business values. To the extent that an account may have a margin loan balance, fees will be calculated based on the net value of the account, unless there is an arrangement with the client to charge on gross value of the account.

Financial Management services include personal financial counseling, asset management, and investment supervisory services. Annual fees pertain to all combined services.

Fees paid directly to us do not include any transaction fees or underlying fund operating expenses that may be paid directly to a custodian or mutual fund or exchange-traded fund. For further information, please see Item 12: Brokerage Practices.

Item 6: Performance-Based Fees

Not applicable. We do not charge performance-based fees.

Item 7: Types of Clients

We provide services to individuals, trusts, estates, pension and profit-sharing plans, and charitable organizations.

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

We primarily use a long-term focused, fundamental approach to investing: build a balanced and diversified portfolio of actively managed and passively managed equity and fixed income managers to seek reasonable long-term returns, while seeking to keep risk at a level appropriate to the client.

We seek to choose managers with the following characteristics:

- Reasonable operating expenses (preferably below average) with no sales charges.
- Minimum five-year performance record, preferably longer and encompassing a full market cycle.
- Relatively low portfolio turnover, which implies a long-term focus and increased tax efficiency.
- Willingness to focus their assets on their best ideas and hold a limited number of stocks.

With all investments, there is a risk of loss and no investment is guaranteed to increase in value. We seek to reduce overall portfolio volatility by owning managers of different investment styles (value vs. growth, larger market capitalization vs. smaller market capitalization, domestic vs. foreign, etc.) and by also owning fixed income investments of various types and maturities. However, diversification does not eliminate the risk of loss.

In certain circumstances, a client may direct us to use a different investment management approach for their assets.

We do not seek to maintain a certain level of portfolio turnover. Turnover will tend to increase when financial markets experience greater volatility. A lack of nominal portfolio turnover should not be interpreted as a lack of portfolio monitoring and management. Portfolio turnover may be driven by one or more of the following factors:

- To raise cash for expenses or other purchases.
- To rebalance a portfolio to realign with long-term asset class targets.
- To add, remove, or replace an investment manager.
- To take advantage of investment opportunities presented by the financial markets.
- In rare instances, to maintain a certain level of account activity to assure compliance with state unclaimed property rules.

Margin debt (borrowing against securities) is generally not used to amplify returns. To the extent that margin debt is used in a client's account, it is for short-term cash flow management or

tax deferral, unless a client specifically requests the use of margin for investment purposes (and is fully aware of the increased risks of such borrowing)

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Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business.

Item 10: Other Financial Industry Activities and Affiliations

None.

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

Pursuant to SEC rule 204A-1, we have adopted a Code of Ethics that addresses our fiduciary duty to our clients, conflicts of interest and trading policies. We will provide a copy of the code to any client or prospective client upon request.

We may buy, hold, or sell securities that we also recommend to clients. We execute recommendations to clients before making employee transactions.

Executive officers review all trading and advice given to clients on a daily and ongoing basis to ensure that our code of ethics is followed and that client trades are always given priority over employee trades.

Item 12: Brokerage Practices

The Custodian We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see *Item 15 – Custody* below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank (for example: Charles Schwab and Co.). We are independently owned and operated and are not affiliated with any custodian that we use. The custodian will hold your assets in a brokerage account and will buy and sell securities when we instruct them. While we may suggest a particular custodian, you will decide whether to use them and will open your account with the custodian by entering into an account agreement directly with them. We do not open the account for you, although we can assist you in doing so.

How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to effectively execute, clear, and settle trades
- Capability to effectively facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Quality of services and responsiveness to us
- Competitiveness of the price of those services and willingness to negotiate their prices
- Reputation, financial strength, and stability

Trade Allocation

We generally aggregate trade orders of various clients for execution if we believe that this will result in the best net price and most favorable execution. If an aggregate order is not entirely filled, we will allocate the purchases or sales in the fairest manner consistent with our fiduciary duty to our clients. Usually, this means a pro-rata allocation among the clients.

Item 13: Review of Accounts

Client accounts are generally monitored daily. Systematic quarterly reviews are conducted by William J. Gaffey. Other routine and periodic reviews are conducted by Edward B. Aufman. Additional comprehensive reviews are driven by life events and upon request. We review for investment balance, performance vs. objectives and appropriate indices, concentration in major holdings, and tax planning.

You will receive account statements at least quarterly directly from the qualified independent custodian (see *Item 15 – Custody*, below). In addition, we send a quarterly summary to clients (as agreed), which includes a detailed listing and valuation of holdings. Clients should compare the account statements they receive from the custodian with those they receive from Aufman Associates.

Further, we will review total net worth at least annually, including all investment interests, tax planning, and other financial counseling topics (as agreed to by clients).

Item 14: Client Referrals and Other Compensation

We receive no compensation other than client fees, nor do we directly or indirectly compensate any person or entity for client referrals.

We may recommend the services of unaffiliated professionals (legal, accounting, lending, etc.). We make these recommendations based on our experience with these professionals and an evaluation of their skill and service. We receive no fees or other compensation for these referrals. These unaffiliated professionals may also refer potential business to us on occasion.

Item 15: Custody

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct your custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. The qualified independent custodian maintains actual custody of your assets. You will receive account statements at least quarterly directly from the custodian. You should carefully review these statements promptly when you receive them. We also urge you to compare these statements to the quarterly summaries you will receive from us.

For certain clients that require bill-paying services, a separate agreement is executed that allows Aufman Associates Inc. to issue checks at the direction of the clients. While we do not have custody of securities, we have custody of cash in this circumstance, as we are authorized to make disbursements to third parties on behalf of the client.

In addition to the above, we are deemed to have custody if an employee serves as a trustee to a non-family account; if a client has authorized us to make withdrawals to third parties under a Standing Letter of Authorization (SLOA); or if a client has provided access to an account that allows third party withdrawals solely with this access.

In all three cases of deemed custody, we are subject to an annual surprise audit performed by a Certified Public Accounting firm, currently Dannible & McKee, LLP, Financial Plaza, 221 S. Warren Street, Syracuse, New York 13202.

Item 16: Investment Discretion

Clients with discretionary accounts authorize us to direct investment strategy and to buy, sell, exchange, convert, or otherwise trade in any stocks, bonds, mutual funds, exchange-traded funds, or other securities. We have no authority or responsibility to act until the client executes a limited power of attorney to the satisfaction of the custodian or broker.

Item 17: Voting Client Securities

We do not retain the authority to vote client securities. Arrangements are made with the custodian, Charles Schwab, to ensure all proxy materials are forwarded to clients.

Item 18: Financial Information

None.

Item 19: Requirements for State Registered Advisers

Aufman Associates Inc. is required to provide notice filings to state securities authorities in Pennsylvania, Florida, Ohio, California, Georgia, New Hampshire, New Jersey, New York, North Carolina, South Carolina, Texas, and Virginia. Required disclosures are covered in previous Items.

Form ADV Part 2B: Firm “*Brochure Supplement*”

Item 1: Cover Page

Aufman Associates Inc.

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www.aufmanassociates.com

March 31, 2023

This brochure supplement provides information about Edward B. Aufman that supplements Aufman Associates Inc. brochure (Form ADV, Part 2A). You should have received a copy of Aufman Associates’ brochure. Please contact Aufman Associates at (724) 934-5600 if you did not receive Aufman Associates’ brochure or if you have any questions about the contents of this supplement.

Additional information about Edward B. Aufman is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Edward B. Aufman was born in June of 1976. After high school, he received a Bachelor's Degree in Industrial Management and Economics from Carnegie Mellon University in 1998. Mr. Aufman began working for Aufman Associates Inc. in 1995. He holds the CERTIFIED FINANCIAL PLANNER™ certification, which he received in 2001. He maintains this certification with 30 hours of continuing education every two years.

Item 3: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that may affect your decision to do business with Edward B. Aufman. Mr. Aufman does not currently have any disclosures that are applicable to this requirement.

Item 4: Other Business Activities

None.

Item 5: Additional Compensation

None.

Item 6: Supervision

Edward B. Aufman is supervised by William J. Gaffey, Vice President and Chief Compliance Officer of Aufman Associates Inc., telephone number: 724-934-5600.

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This brochure supplement provides information about William J. Gaffey that supplements Aufman Associates Inc. brochure (Form ADV, Part 2A). You should have received a copy of Aufman Associates’ brochure. Please contact Aufman Associates at (724) 934-5600 if you did not receive Aufman Associates’ brochure or if you have any questions about the contents of this supplement.

Additional information about William J. Gaffey is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

William J. Gaffey was born in July of 1972. After high school, he received a Bachelor's Degree in Industrial Design from Carnegie Mellon University in 1994. Mr. Gaffey began working for Aufman Associates Inc. in 1997. He holds the Chartered Financial Analyst® designation, which he attained in 2000, and is a member of the CFA Society Pittsburgh.

Item 3: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that may affect your decision to do business with William J. Gaffey. Mr. Gaffey does not currently have any disclosures that are applicable to this requirement.

Item 4: Other Business Activities

None.

Item 5: Additional Compensation

None.

Item 6: Supervision

William J. Gaffey is supervised by Edward B. Aufman, President of Aufman Associates, telephone number: 724-934-5600.