

DISCLOSURE BROCHURE

(FORM ADV, PART 2A)

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of AA Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (614) 442-3355. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

“Registered Investment Advisor” or “registered” does not imply a certain level of skill or training.

Item 2 – Summary of Material Changes

Since our most recent Form ADV Part 2A annual amendment filing, dated March 31, 2022, the following material changes have been made:

- Item 4:
 - Club “Level C” updated
 - Pension Consulting Services and Pension Consulting Services Fees were added
- Item 7:
 - Pension and profit-sharing plans were added as types of clients
- Item 10:
 - Paragraph about AA Financial Advisors having licensed insurance agents
 - Language added referencing that, if a conflict of interest arises, that AA Financial Advisors will act in the best interests of its clients
- Item 11:
 - Language added that AA Financial Advisors will act in their clients’ best interest as it relates to trading securities
- Item 12:
 - Added to the Custodians we may recommend: Jefferson National, Blackrock, ADP, Ascensus and John Hancock
- Item 19:
 - Deleted Item 19: qualifications and background of state registered advisors

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Item 4 – Advisory Business

AA Financial Advisors, LLC (“AA Financial Advisors,” “we,” or “us”) and its predecessor organizations have been providing advisory services as a division of Antolino & Associates since 1985. AA Financial Advisors is owned by F7 Company, LLC. Ralph Antolino Jr. is the managing member of F7, LLC.

The UltraVision System®

The UltraVision System® is a process designed to empower our clients to make financial decisions with greater levels of confidence. The process begins with completion of Checklists, to obtain your “hard” facts and “soft” facts. Our goal is to deliver to you a:

1. Letter of Intent
2. Math Model
3. Summary Opinion Letter

Upon completion of the Checklists, we help you clarify your strategic goals, which we compile into a Letter of Intent. Next you work with us to inventory, organize and crystallize your old plan and its financial capacities in a Math Model. This includes building a personal balance sheet, running cash flow analysis, financial and investment projections as well as “what-if” analysis depending on what scenarios you would like to see. Next, we come up with our best ideas to help you take action, including an estimate of your benefits from implementing The UltraVision System®, called a Summary Opinion Letter.

Upon delivery of your Letter of Intent, Math Model and Summary Opinion Letter, your engagement in The UltraVision System® is complete. If you choose to continue working with us, we will then get to work helping you design and implement action items from the Summary Opinion Letter. Once your new plan is in place, we measure the actual progress of your plan periodically. We work with you to confirm the current appropriateness of your previously stated goals. When necessary, you restart The UltraVision System®.

The UltraVision Club™

At the completion of The UltraVision System® we can help you determine if membership in The UltraVision Club™ is appropriate.

Membership in The UltraVision Club™ is divided into different tiers, depending on the level and scope of services to be provided:

- Club Level A: Highly Proactive – We will personally communicate with you at least once every other week. We work interactively with CPAs and tax attorneys on your behalf to build cash flow models, pro-forma income, and estate tax returns on a regular basis. Club

Level A also includes all Club Level B benefits.

- Club Level B: Proactive - We personally communicate with you on a regular basis. We also provide ongoing monitoring of The Wealth Management System™, which contains online modules that are interactive between you and our firm.
- Level C: Reactive - You are not a member of the Club. You pay no club fee and get no enhancement to your current service level.

As a member of Club Level A or Club Level B of The UltraVision Club™, we promise at least the following benefits:

- Discounted prices on our other services
- Complimentary review meetings
- Discounted prices on updates to your custom version of The UltraVision System®
- Regular UltraVision Club™ events sponsored by our firm
- Priority access to our staff
- Communications regarding educational events we attend
- Potential for referrals to other elite advisors
- Estate Legal Documents organized secured and stored in our online storage system.
- Cost Basis Calculations for investment sales
- Access to The Wealth Management System™ – One website for all your personal financial data
- Enrollment in Smart Identity, an identity theft protection program
- Benefit Analysis to help you make smart choices among your employee benefit options
- Social Security benefit statement review

As a Club member, we promise to:

- Continue to stay up to date, attend industry educational events, learn about trends and tax and legal changes that could affect your situation
- Contact you periodically to review what you put in motion in the past and retest the appropriateness of your existing structures for the future.

As a Club member we respectfully ask you to promise to:

- Agree to meet with us when we reach out to you in the future
- Allow us to be a filter for researching the appropriateness of the many financial ideas you could see or hear as you go through life.

Portfolio Management Program™

We strive to uncover our clients' unique dreams, goals, ambitions, and risk tolerance. Solutions are tailored to meet your global asset allocation targets. Our strategies use a multi-dimensional asset allocation approach known as The ABC's of Cashflow™. Your portfolio will typically use one or a combination of the following strategies:

➤ Foundational Approach

- This strategy begins with broadly diversified active or passive portfolios, mutual funds, exchange traded funds (ETFs), individual bonds, private equity, and real estate investments. This allows for us to customize your portfolio to match your desires.
- Our investment committee vets and approves each position. This vetting process

includes reviewing manager tenure and style, expectations versus actual performance, historical drawdown, peer evaluation, expense ratios and other factors.

- Additional benefits include periodic rebalancing to maintain risk/return alignment and tax management strategies to provide improved after-tax returns.

➤ Strategic Asset Management

- This is a defensive investment strategy rooted in technical analysis.
- These portfolios are composed of exchange traded funds (ETFs) and low-cost mutual funds to capture the opportunity provided in the equity market, while aiming to protect your portfolio from major market drawdowns.
- Our investment committee closely tracks various market and economic indicators, short and long-term trend lines, volatility, and other factors to strategically increase or decrease your market exposure.

➤ Intelligent Portfolios

- These portfolios are built on a technology-driven platform which includes automatic rebalancing, no transaction fees, fully digital account opening and management.
- Our firm curates a collection of models comprised of broadly diversified exchange traded funds (ETFs) and low-cost mutual funds.
- The system includes automatic tax loss harvesting to provide improved after-tax returns for non-retirement accounts.
 - Please refer to the Automated Investment Program description below for further details

One of our Investment Advisor Representatives (IAR's) will work closely with you together all information necessary to understand your investment objectives and overall financial picture. Then our IAR will draw up the steps necessary to implement a plan aimed at achieving your goals. This normally consists of opening an account, receiving investment funds, and determining the appropriate asset allocation for you to invest in given your unique fact pattern. Often times this service is provided after engagement and graduation from The UltraVision System® but can be done without engaging in The UltraVision System®.

An IAR may use any of a variety of systems to determine and implement an appropriate asset allocation. Examples of such systems include our internal Portfolio Management Program models, eMoney, Morningstar and Portfolio Visualizer. We will build a custom tailored portfolio that we believe is appropriate for your risk tolerance profile, time horizon and matches the goals for each account. Once a portfolio is agreed upon, the IAR will periodically review the portfolio. This review will test the original assumptions and query you as to whether or not your risk tolerances and goals are still the same, and rebalance the portfolio when appropriate.

AA Financial Advisors makes no representation regarding the likelihood or probability that any proposed investing plan will in fact achieve a particular investment goal. AA Financial Advisors is unable to predict or forecast market fluctuation or other uncertainties that may affect the value of any investment. While AA Financial Advisors strives to provide helpful investment guidance, you must carefully consider the appropriateness of the proposed investments in light of your own personal financial circumstances, including cash flow needs, unusual tax circumstances or other complex or subjective concerns. You are urged to seek the advice of tax professionals and use all available resources to educate yourself about investing in general, as well as the investments and

the overall portfolio composition suggested by AA Financial Advisors. You are free to accept or reject AA Financial Advisors' recommendations.

Automated Investment Program

When consistent with a client's investment objectives, we may offer portfolio management services through our Automated Investment Program (the "AIP"), an automated investment program through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio that can include exchange traded funds ("ETFs"), mutual funds, and a cash allocation. The client may instruct us to exclude up to three mutual funds or ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co."). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the AIP. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (CS&Co. and its affiliates are sometimes collectively referred to as "Schwab").

In AIP engagements, we, and not Schwab, are the client's investment adviser and primary point of contact. As between our firm and Schwab, we are solely responsible, and Schwab is not responsible, for determining the appropriateness of the AIP for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the AIP. The Platform enables us to make the AIP available to clients online and includes a system that automates certain key parts of its investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for its services as described below under Item 5, Fees and Compensation. Our fees are not set or supervised by Schwab.

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the AIP. If we do not meet this condition, then we must pay SPT an annual licensing fee of 0.10% of the value of our clients' assets in the AIP. This arrangement presents a conflict of interest, as it provides an incentive for us to recommend that clients maintain their accounts at CS&Co. Notwithstanding, we may generally recommend to our clients that investment management accounts be maintained at CS&Co. based on the considerations discussed in Item 12 below, which mitigates this conflict of interest.

Clients enrolled in the AIP are limited in the universe of investment options available to them. For example, the investment options available are limited to ETFs and mutual funds and cash/cash equivalents, whereas we recommend various other types of securities in our other services. The AIP is designed to provide guidance and professional assistance to individuals who are beginning the process of accumulating wealth. Clients will have access to their accounts and a financial

interface online but will also have the opportunity to confer with us with respect to their account. Please also refer to Item 8 below with respect to the investment risks associated with mutual funds and ETFs.

Rebalancing

The System will rebalance a client's account periodically by generating instructions to CS&Co. to buy and sell shares of funds and depositing or withdrawing funds through the "Sweep Program," considering the asset allocation for the client's investment strategy. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an asset class varies by a set parameter established by us, (ii) we decide to change the ETFs or their percentage allocations for an investment strategy or (iii) we decide to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their account. Accounts below \$5,000 may deviate farther than the set parameters as well as the target allocation of the selected investment profile. Rebalancing below \$5,000 may impact the ability to maintain positions in selected asset classes due to the inability to buy or sell at least one share of an ETF or mutual fund. For example, withdrawal requests may require entire asset classes to be liquidated to generate and disburse the requested cash.

Sweep Program

Each investment strategy involves a cash allocation ("Cash Allocation") that will be held in a sweep program at Charles Schwab Bank, (the "Sweep Program"). The Cash Allocation will be a minimum of 4% of an account's value to be held in cash, and may be higher, depending on the investment strategy chosen for a client. The Cash Allocation will be accomplished through enrollment in the Sweep Program, a program sponsored by CS&Co. By enrolling in the AIP, clients consent to having the free credit balances in their brokerage accounts at CS&Co. swept into deposit accounts ("Deposit Accounts") at Charles Schwab Bank ("Schwab Bank") through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of the AIP. If the Deposit Account balances exceed the Cash Allocation for a client's investment strategy, the excess over the rebalancing parameter will be used to purchase securities as part of rebalancing. If clients request cash withdrawals from their accounts, this likely will require the sale of fund positions in their accounts to bring their Cash Allocation in line with the target allocation for their chosen investment strategy. If those clients have taxable accounts, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with CS&Co., Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

Compensation to Schwab Under the AIP

Clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the AIP. However, Schwab receives other revenues including but not specifically limited to the following which is subject to change: (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFsTM Schwab Funds[®] and Laudus Funds[®] that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSourceTM program and mutual funds in the Schwab Mutual Fund Marketplace[®] (including certain Schwab Funds and Laudus Funds) in

the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

Pension Consulting Services

AA Financial Advisors offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

Miscellaneous Disclosures

Retirement Rollovers: 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 we recommend that a client roll over their retirement plan assets into an account to be managed by our firm, such a recommendation creates a conflict of interest if we will earn a new (or increase its current) compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets to an account managed by our firm.

ERISA / IRC Fiduciary Acknowledgment: When we provide investment advice to a client regarding the client's retirement plan account or individual retirement account, we do 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. The way we make money creates some conflicts with client interests, so we operate under a special rule that requires us to act in the client's best interest and not put our interests ahead of the client's.

Under this special rule's provisions, we 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 we give advice that is in the client's

best interest;

- Charge no more than is reasonable for our services; and
- Give the client basic information about conflicts of interest.

Non-Discretionary Service Limitations: Clients that determine to engage us on a non-discretionary investment advisory basis must be willing to accept that we cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that we would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, we will be unable to effect the account transaction(s) without first obtaining the client's consent.

Periods of Portfolio Inactivity: We have a fiduciary duty to provide services consistent with the client's best interest. As part of our investment advisory services, we will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when we determine that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions we make will be profitable or equal any specific performance level(s).

Independent Managers: We may allocate a portion of client assets be allocated among unaffiliated independent investment managers. In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active, discretionary management of the allocated assets. We shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, our advisory fee as set forth in the fee schedule at Item 5 below.

Access to Margin: We do not recommend the use of margin as an investment strategy. Use of margin as an investment strategy comes with a high level of inherent risk. Margin can be used to borrow funds to purchase financial instruments and/or to access liquidity. The investor generally obtains the borrowed funds by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Although clients may retain the ability to use margin, we do not use margin for investment purposes and does not recommend such use by clients.

Assets Under Management

As of 03/02/2023, AA Financial Advisors has \$109,679,237 in regulatory assets under management on a discretionary basis and \$615,572,131 in regulatory assets under management on a non-discretionary basis.

Item 5 – Fees and Compensation

AA Financial Advisors offers advisory services based on prearranged fee structures. Fees can include but are not limited to a percentage of assets, hourly fees, and/or fixed project fees.

The UltraVision System®

Fees for the UltraVision System® are generally fixed and collected up-front. Fixed fees vary based upon a variety of factors, including income, the client's unique fact pattern, and the complexity of each project. The agreed upon fee arrangement will be set forth in the client's services agreement. We typically collect fees for The UltraVision System® via check or credit card.

Successful completion of The UltraVision System® requires ongoing communication and coordination with the client. Inattentive or unresponsive clients can impinge our ability to complete our work in a timely manner, in which case we may determine to reevaluate our fee for the agreed upon service. We try to exercise this discretion sparingly, however, if extraordinary effort is required on our part, we may elect to negotiate for a revised fee.

Upon completion of the UltraVision System® clients are eligible to enroll in a more proactive ongoing service model – known as the UltraVision Club, the fees for which are discussed below.

For those who do not wish to participate in the UltraVision System® in its entirety, AA Financial Advisors does provide certain pieces of the UltraVision System® a la carte. If appropriate, a discussion about the certain module and a corresponding fee for this module will be disclosed to you.

Clients can elect to receive services under both the UltraVision System® and our Portfolio Management Program™, for which we may, at our discretion, elect to waive or reduce all or a portion of the fee attributable to The UltraVision System®.

If the client terminates our engagement prior to completion of the agreed upon services, we will provide a refund of prepaid fees, prorated based on the amount of time spent on the project through the effective date of termination at a rate of \$550 per hour. The engagement otherwise ends at the presentation of a financial plan or a set of financial recommendations we call delivery or graduation.

The UltraVision Club™

Monthly dues vary based on the client's Club Level and agreed upon in the client's Club membership agreement. Level C does not incur monthly fees, and fees for this level are based upon the scope and amount of work requested by the Level C participant. All fees for The UltraVision Club™ are payable by credit card. Monthly fees, to the extent applicable, become due on the first day of each month. Clients may cancel their membership at any time, but no refunds are provided with respect to a membership month for which dues have already become due.

Portfolio Management Program™

Client assets in the Portfolio Management Program™ are held with a qualified custodian in a brokerage account, and fees are charged quarterly in advance. The maximum annual fee for the Portfolio Management Program™ is 1.50% of assets, which is subject to negotiation and can vary from client to client based on a variety of factors, including the amount of assets to be managed, the IAR assigned to the account, potential future assets, and other factors.

These fees include all fees and charges for the portfolio management services of the IAR and AA Financial Advisors. No commissions or transaction fees whatsoever are paid to or retained by the IAR or AA Financial Advisors from this account. A portion of the advisory fee is shared with Kestra Investment Services, LLC for their supervision of AA Financial Advisors.

The fee will be payable quarterly in advance. The first payment is due upon execution of the Advisory Agreement and will be assessed pro-rata in the event the Advisory Agreement is executed at any time other than the first day of each calendar quarter. Subsequent payments are due and will be assessed on the first day of each calendar quarter. Asset-based fees are calculated based on the value of the account assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith. Asset-based fee calculations include the value of cash and cash equivalent positions, unless otherwise agreed.

Clients do not pay additional fees to us by virtue of their participation in the AIP. However, we may consider the costs we incur for clients participating in the AIP if that client has requested a deviation from the standard fee schedules stated above.

Any party upon written notice to the others may terminate the Advisory Agreement. If termination occurs prior to the end of a calendar-billing period, a pro-rata refund of unearned fees will be made to the client.

Pension Consulting Services Fees

The rate for pension consulting services will be documented in the advisory agreement. These fees are negotiable. Pension consulting fees are withdrawn from the client's accounts with client's written authorization or may be invoiced and billed directly to the client and clients may select the method in which they are paid. The frequency will be identified in the agreement and may be monthly, quarterly, in advance or in arrears.

Additional Fees and Costs

Client investment accounts will be held with one or more qualified custodians / broker-dealers. Broker-dealers generally charge brokerage commissions and/or transaction fees for effecting certain securities transactions. Broker-dealers set their own commission and transaction fee rates, which are subject to change at any time at the discretion of the broker-dealer. Clients are advised to refer to their broker-dealer's transaction pricing sheet for further details.

In addition to our fees and any applicable brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

Compensation for Securities Sales

Several officers of AA Financial Advisors are also, in their separate and individual capacities, registered representatives of Kestra Investment Services, LLC (hereafter referred to as Kestra), a FINRA-member broker-dealer, and may receive compensation from Kestra for commission-based

securities sales. The brokerage commissions charged by Kestra may be higher or lower than those charged by other broker-dealers.

The recommendation that a client purchase a commission product through Kestra presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on compensation to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Kestra or our representatives in their capacities as Kestra registered representatives, and clients are free to purchase investment products recommended by our representatives through the broker-dealer or registered representative of their choosing.

When our representatives sell an investment product on a commission basis, we do not charge an advisory fee in addition to the commissions paid by the client for such product. For clarification purposes, it is possible during the transition of a client from commission accounts to advisory accounts for a trail commission to be paid. Kestra facilitates the reimbursement of this trail commission to the client's account when this occurs. It is never our intention to be paid "twice" when setting up a new advisory account.

Further, some clients maintain both commission and advisory level accounts to best implement their desired strategy. In those cases, those members of our firm who are registered representatives of Kestra may be compensated by commissions in the commission accounts, and our firm and advisers may be compensated by advisory fees in the advisory accounts. It can also occur that a particular investment (529 Plan, Annuity, Insurance, and Alternative Investments) is only available in a commission format. In these rare cases, we will not charge an advisory fee on that investment.

We do not receive more than 50% of our revenue from advisory clients as a result of commissions or other compensation for the sale of investment products we recommend to clients.

Item 6 – Performance Based Fees and Side by Side Management

Our firm does not request or accept performance-based fees.

Item 7 – Types of Clients

AA Financial Advisors provides services to individuals, families, pension and profit-sharing plans, trusts, estates, non-profit organizations, and corporations or business entities. We do not currently require a minimum asset level or minimum annual fee for our services.

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

Our portfolios typically use one or a combination of the following investment strategies:

- **Foundational Approach:** This strategy begins with broadly diversified active or passive portfolios, mutual funds, exchange traded funds (ETFs), individual bonds, private equity, and real estate investments. This allows us to customize your portfolio to match your desires. Our investment committee vets and approves each position. This vetting process includes reviewing manager tenure and style, expectations versus actual performance, historical drawdown, peer

evaluation, expense ratios and other factors. Additional benefits include periodic rebalancing to maintain risk/return alignment and tax management strategies to provide improved after-tax returns.

- **Strategic Asset Management:** This is a defensive investment strategy rooted in technical analysis. These portfolios are composed of mostly exchange traded funds (ETFs) and low-cost mutual funds to capture the opportunity provided in the equity market, while aiming to protect your portfolio from major market drawdowns. Our investment committee closely tracks various market and economic indicators, short and long-term trend lines, volatility, and other factors to strategically increase or decrease your market exposure.
- **Intelligent Portfolios:** These portfolios are built on a technology-driven platform which includes automatic rebalancing, no transaction fees, fully digital account opening and management. Our firm curates a collection of models comprised of broadly diversified exchange traded funds (ETFs) and low-cost mutual funds. The system includes automatic tax loss harvesting to provide improved after-tax returns for non-retirement accounts.

AA Financial Advisors' security analysis methods include fundamental, technical, and hypothetical illustration software prepared by the mutual fund companies to show what an investment would have grown to if the client had invested the money at various times in the past.

The main source of information that AA Financial Advisors uses includes Morningstar databases, Charles Schwab research, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and financial periodicals and articles to evaluate your current portfolio and compare that to the recommended portfolio to show how AA Financial Advisors can add value. Members of the firm regularly attend educational seminars and conduct numerous due diligence trips to both evaluate and build relationships with providers of various financial products and services.

The investment strategies used to implement any investment advice given to you include long term purchases (securities held at least 3 years), short term purchase (securities sold within 3 years), short sales, margin transactions and option writing, including covered options, uncovered options or spreading strategies.

Investing in securities involves the risk of loss and clients should be prepared to bear that loss. Below is a summary of some of the material risks associated with investments:

- **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 may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic, and social conditions may trigger market events which are temporarily negative, or temporarily positive.
- **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.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **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.
- **Market Risk (Systematic Risk):** Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of your portfolio will fluctuate, there is a risk that you will lose money.
- **Unsystematic Risk:** Unsystematic risk is the company-specific or industry-specific risk in a portfolio. The combination of systematic (market risk) and unsystematic risk is defined as the portfolio risk that the investor bears. While the investor can do little to reduce systematic risk, he or she can affect unsystematic risk. Unsystematic risk may be significantly reduced through diversification. However, even a portfolio of well-diversified assets cannot escape all risk.
- **Credit Risk:** Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact performance. Credit risk is greater for fixed income securities with ratings below investment grade (BB or below by Standard & Poor's Rating Group or Ba or below by Moody's Investors Service, Inc.). Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.
- **Income Risk:** Income risk is the risk that falling interest rates will cause the investment's income to decline.
- **Call Risk:** Call risk is the risk that during periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.
- **Purchasing Power Risk:** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply. Rising inflation means that if you have \$1,000 and inflation rises 5 percent in a year, your \$1,000 has lost 5 percent of its value, as it cannot buy what it could buy a year previous.
- **Political Risks:** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the

world.

- **Regulatory Risk:** Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Risks Related to Investment Term:** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not what we believe it is truly worth. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value.

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs and mutual funds are required by law to distribute capital gains in the event, they sell securities for a profit that cannot be offset by a corresponding loss. As such, a mutual fund or ETF client or investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes in the market value of the fund's holdings. The trading prices of a mutual fund's shares can differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies can cause the shares to trade at a premium or discount to their pro-rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. While clients and investors may be able to sell their ETF shares on an exchange, ETFs generally only redeems shares directly from shareholders when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Some or all of the above employees of AA Financial Advisors are licensed as insurance agents and routinely give advice regarding life, health, disability, property and casualty, group life and health. These individuals spend approximately 30% of their time counseling people about these types of products and do sell insurance products related to the advice listed above.

Some or all of the employees of AA Financial Advisors are licensed insurance agents. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of AA Financial Advisors are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. AA Financial Advisors addresses this conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. AA Financial Advisors periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. AA Financial Advisors will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by AA Financial Advisor's supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

Ralph Antolino, Jr., a principal of AA Financial Advisors, is licensed to practice law in the State of Ohio. As an attorney, he is ethically bound to not solicit clients of AA Financial Advisors for legal business. If Ralph Antolino, Jr., or any other member of AA Financial Advisors recommends legal work to you, you are not under any obligation to have such work done by Ralph Antolino, Jr., nor is Ralph Antolino, Jr. under any obligation to perform any such recommended legal work. Ralph Antolino, Jr. will only perform legal work for you when and if you solicit Ralph Antolino, Jr. and provided that Ralph Antolino, Jr. agrees to perform the requested legal work. Ralph Antolino, Jr. estimates that he spends 5% of his time engaged in the practice of law. To the extent legal services are provided, separate and additional compensation for such legal services would be assessed and paid to Ralph Antolino, Jr., in his separate capacity as a licensed attorney. This compensation creates a conflict exists between AA Financial Advisors' interests and those of its advisory clients. AA Financial Advisors addresses this conflict of interest by requiring its Ralph Antolino, Jr. to act in the best interest of the client at all times, including when acting as an attorney.

Certain principals and associated persons of AA Financial Advisors are, in their separate and individual capacities, registered representatives of Kestra Investment Services, LLC, a FINRA-member broker-dealer. These registered representatives may recommend securities or insurance products offered by Kestra or its affiliates. If you purchase these products through principals and associated persons of AA Financial Advisors, normal commission compensation will be received. This compensation creates a conflict between the interests of the registered representatives and those of our clients. AA Financial Advisors will always act in the best interest of the client, including with respect to the sale of commissionable products to advisory clients.

You are under no obligation to purchase commission-based securities or insurance products through registered representatives associated with AA Financial Advisors or through Kestra.

AAA may direct clients to third-party investment advisers. Clients will pay AA Financial Advisors its standard fee in addition to the standard fee for the advisers to which it directs those clients. The fees will not exceed any limit imposed by any regulatory agency. AA Financial Advisors will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. AA Financial Advisors will ensure that all recommended advisers are exempt, licensed or notice filed in the states in which AA Financial Advisors is recommending them to clients.

Item 11 – Code of Ethics

AA Financial Advisors maintains an investment policy relative to personal securities transactions. This investment policy is part of our overall Code of Ethics, which serves to establish a standard of business conduct for all of AA Financial Advisors' representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, and applicable state law equivalents, we also maintain and enforce written policies reasonably designed to prevent the misuse of material non-public information by our firm or any person associated with it.

Neither AA Financial Advisors nor any related person of AA Financial Advisors recommends, buys, or sells for client accounts, securities in which the firm or any related person has a material financial interest.

AA Financial Advisors and/or its representatives may buy or sell securities that are also recommended to clients. This practice may create a situation where AA Financial Advisors and/or its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if we did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the firm's clients) and other potentially abusive practices.

AA Financial Advisors has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of its "Access Persons". This securities transaction policy requires that an Access Person provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date AA Financial Advisors selects; provided, however that at any time that AA Financial Advisors has only one Access Person, he or she shall not be required to submit any securities report described above. AA Financial Advisors will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

AA Financial Advisors and/or its representatives may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where AA Financial Advisors and/or its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above, AA Financial Advisors has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of its Access Persons. AA Financial Advisors will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Item 12 – Brokerage Practices

Neither AA Financial Advisors nor any related person has the authority to determine, without obtaining specific consent from you, the broker or dealer or custodian to be used to execute orders for your account, or the commission rates paid by you for account transactions. We may recommend certain custodians, including Charles Schwab, BNY Mellon, Capital Bank and Trust, Jefferson National, Blackrock, ADP, Ascensus, John Hancock and/or Kestra NFS (collectively, the "Custodians").

If a client chooses to open an advisory account through Charles Schwab, Charles Schwab is the clearing firm and custodian. If a client chooses to open an advisory account through Mellon, BNY Mellon is the clearing firm and custodian. If a client chooses to open an advisory account through American Funds, Capital Bank and Trust is the clearing firm and custodian. If a client chooses to open an advisory account through Kestra, NFS, LLC is the clearing firm and custodian.

Factors that we consider in recommending one or more of the Custodians (or any other broker-dealer/custodian) include historical relationship with AA Financial Advisors, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission/transaction fee is reasonable.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although AA Financial Advisors will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment advisory fee.

AA Financial Advisors receive from one or more of the Custodians (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) non-soft dollar benefits, certain of which assist AA Financial Advisors to better monitor and service client accounts maintained at such institutions. Included within the non-soft dollar benefits that may be obtained are investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, waived or reduced fees for consulting services, waived or reduced fees for attendance at conferences, meetings, and other educational and/or social

events, marketing support-including client events, computer hardware and/or software and/or other products used by AA Financial Advisors in furtherance of its investment advisory business operations.

Certain of the above benefits assist AA Financial Advisors in managing and administering client accounts. Others do not directly provide such assistance, but rather assist AA Financial Advisors to manage and further develop its business enterprise.

Our clients do not pay more for investment transactions effected and/or assets maintained at the Custodians as a result of these arrangements. There is no corresponding commitment made by AA Financial Advisors to the Custodians, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

AA Financial Advisors does not receive any “soft dollar benefits” from a broker-dealer or 3rd party in connection with client securities transactions.

AA Financial Advisors does not receive referrals from any broker-dealer, including the Custodians.

AA Financial Advisors does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and AA Financial Advisors will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by AA Financial Advisors. As a result, 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.

In the event that the client directs AA Financial Advisors to effect securities transactions for the client's accounts through a specific broker-dealer, the client 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 effect account transactions through alternative clearing arrangements that may be available. Higher fees adversely affect account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

AA Financial Advisors does not aggregate the purchase or sale of securities for various client accounts because every client account is unique, and it is impossible to reasonably aggregate their specific transactions into one group trade.

Brokerage Practices Under AIP

Client accounts enrolled in the AIP are maintained at, and receive the brokerage services of, Schwab, a broker-dealer registered with the SEC and a FINRA/SIPC member. While clients are required to use CS&Co. as custodian/broker to enroll in the AIP, the client decides whether to do so and opens its account with Schwab by entering into a brokerage account agreement directly with Schwab. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the AIP. Schwab may aggregate purchase and sale orders for ETFs across accounts enrolled in the AIP, including both

accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

As described above under Item 4, we do not pay SPT fees for the Platform so long as we maintain \$100 Million in client assets in accounts at Schwab that are not enrolled in the AIP. In light of our arrangements with Schwab, we may have an incentive to recommend that clients maintain their accounts with CS&Co. based on its interest in receiving Schwab's services that benefit its business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This presents a conflict of interest. When making such a recommendation, however, we believe that our recommendation of Schwab as custodian and broker is in the best interests of its clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only our firm.

Item 13 – Review of Accounts

Reviews

AA Financial Advisors conducts reviews periodically. A yearly review is typical, but one is also done when you notify AA Financial Advisors of substantial changes in your situation. Different levels of reviews are a function of the nature of the request made by you. Factors that trigger a review are written or oral request from you. AA Financial Advisors has advisors and planners available to perform reviews. The purpose of the reviews are to help you establish and commit to writing financial goals and objectives.

Reports

For investment supervisory clients, a quarterly statement is mailed to the client that gives the account value and what securities are held in the account. This statement is mailed by the custodian of the assets and does not come from AA Financial Advisors' office. All other clients are offered periodic updates of their portfolios, charged at the standard rates. The periods will be monthly, quarterly, or annually depending on the complexity of the client's portfolio and their personal preferences.

Item 14 – Client Referrals and Other Compensation

As discussed in Item 12 above, AA Financial Advisors can receive non-soft dollar benefits from the Custodians it recommends to clients. AA Financial Advisors does not otherwise receive compensation from non-clients for providing investment advice to our clients.

AA Financial Advisors does not compensate non-advisory personnel (solicitors) for client referrals.

Item 15 – Custody

AA Financial Advisors has custody of client funds or securities to the extent that we have the ability to directly deduct fees from client accounts. Clients will receive at least quarterly statements from the custodians of their funds or securities directly. Clients should carefully review those statements.

AA Financial Advisors does not produce official account statements that should be relied on as a proxy or replacement for your Custodian's statement.

Item 16 – Investment Discretion

The client can determine to engage AA Financial Advisors to provide discretionary investment advisory services. "Discretion" allows AA Financial Advisors to engage in securities transactions on behalf of a client without first the client's prior approval. In discretionary engagements, the client will be required to name AA Financial Advisors as the client's limited attorney and agent in fact, granting AA Financial Advisors authority to buy, sell, or otherwise effect investment transactions in the client's name.

Clients who engage AA Financial Advisors on a discretionary basis may, at any time, impose restrictions, in writing, on the firm's discretionary authority (e.g., limit the types/amounts of particular securities or asset classes purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the use of margin, etc.).

Item 17 – Voting Client Securities

AA Financial Advisors does not accept authority to vote client securities. With respect to the AIP, clients are required to submit an Issuer Communication and Release Information Form, or similarly named form, to be certain that they receive proxies and corporate actions directly from the issuer of securities.

Item 18 – Financial Information

AA Financial Advisors does not have custody of client funds or securities or require prepayment of more than \$1200 in fees per client six or more months in advance. In addition, AA Financial Advisors has never been the subject of a bankruptcy petition, nor does AA Financial Advisors have a financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.