



Item 1 Cover Page

Anderson Financial Partners, Inc.

212 Ponte Vedra Park Drive, Suite 200

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www.andersonfinancialpartners.com

Brochure date: March 1, 2023

This brochure provides information about the qualifications and business practices of Anderson Financial Partners, Inc. If you have any questions about the contents of this brochure, please contact us at (904) 280-8995. 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.

Additional information about Anderson Financial Partners, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Anderson Financial Partners, Inc. is a "registered investment adviser". Please know that such a statement and registration does not imply a certain level of skill or training.

Item 2 Material Changes

There were no changes – personnel or operations during 2022.

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Item 4 Advisory Business

Anderson Financial Partners, Inc. was founded in 2003 under the name Bott-Anderson Partners and is wholly-owned by one of its principals, John K. Anderson, Jr. In 2018, the name of the firm was changed to Anderson Financial Partners, Inc. Our primary focus has always been to provide independent investment consulting services to both corporate and non-profit organizations as well as high net worth families and family foundations. We are fully registered with the SEC and the State of Florida but are not affiliated with any FINRA member firm and/or FINRA broker-dealer organization.

The principals of Anderson Financial Partners have extensive professional and volunteer experience with hospitals and other non-profit organizations. Anderson Financial Partners currently consults to 10 non-profit organizations, and its principals have served and continue to serve on the Boards of numerous non-profit organizations. We truly believe that our personal experience is unmatched. A key hallmark of our firm is our personal involvement with every client; we feel that in this way we are able to serve the investment consulting needs of our clients in a superior fashion.

We are a fee-based investment consulting firm which derives 100% of its revenues from such services. We do not engage in any other businesses, including securities-related activities such as trust, custodial or investment management (securities-picking) services.

Anderson Financial Partners is not a broker/dealer. Anderson Financial Partners does not provide asset custody services as such services are available inexpensively and efficiently from both brokerage firms and trust companies. We utilize the competitively priced custody services of several different broker dealers and trust companies. We closely monitor the cost of such services and have often found opportunities with our clients to dramatically reduce expenses through analysis and comparative pricing. We do not accept any commissions from any external sources.

When introductory fees or breakpoint trading discounts are made available to Anderson Financial Partners, these fees or discounts may be captured for the benefit of our clients, and if captured are fully applied (100%) to offset our consulting fees. Again, our revenue is derived entirely from our investment consulting services.

Our greatest strengths are fivefold:

- 1) Client advocacy
- 2) Ratio of client accounts-to-consultant
- 3) Access to research
- 4) Manager screening process
- 5) Tenured professionals

At Anderson Financial Partners, we view ourselves, first and foremost, as client advocates. Our role as your independent investment consultant is to sit “on your side of the desk” as we work together to select, engage and monitor the best asset managers available to manage each sector of your portfolio. Our relationships with our clients are personal and first name. Our experience in healthcare especially allows us to truly add value well beyond the scope of investment portfolio management to our healthcare clients.

Among our firm’s strengths is our client to consultant ratio (our coverage ratio). Presently, we have a coverage ratio of better than 18. The size of our business is a tremendous advantage to our clients. Our high coverage ratio is proof that your account and its goal of achieving its stated objective is paramount. The attention and focus you will receive from Anderson Financial is unlike the diluted monitoring that you would receive from larger, less focused firms, whose consultants often are assigned coverage on upwards of 40 accounts.

At Anderson Financial our clients are not just a file or account number. We build long lasting personal relationships. Furthermore, we do not “allow the meter to run” on phone calls or e-mails to our clients. Our fee is inclusive of all client communications.

Anderson Financial Partners meets directly with clients each quarter, and upon request, will meet off-quarter to accommodate any schedule. During our quarterly review meetings, we break down complex, quantitative measurements into digestible and relevant information to effectively convey, communicate, and educate our clients. We also provide a weekly economic commentary to our consulting clients. By building clients’ comfort level with the markets and the tools we use, we further enhance our consulting relationship and our inherent value. Over time, our clients have regularly commented that this hands-on approach has helped them better fulfill fiduciary duties, if any.

Our greatest strength lies in the experience of the professionals at Anderson Financial Partners. Unlike our larger competition, who staff their firms with fresh out of school MBA’s, our clients are serviced by our principals.

We are confident that our firm’s size, coverage ratio, together with the deep and varied experience of our managing partners and managing directors allows us to provide unparalleled service to our clients.

Bios:**John K. Anderson, Jr. – Managing Partner**

John K. Anderson, Jr. co-founded Bott-Anderson Partners, the original name of the firm, in 2003. The mission of the firm from then to now has been to provide significant value to a small number of clients through a focus on personal service. His deep knowledge of the unique needs and objectives of each client, coupled with continuing due diligence through personal relationships with the independent managers engaged to managed the various segments of client portfolios, has allowed this mission to be consistently accomplished.

Prior to establishing the firm, from 1996 until 2002, Mr. Anderson was Executive Vice President, Treasurer, and Chief Financial Officer for American Heritage Life Investment Company of Jacksonville, Florida. American Heritage was a NYSE listed group of life insurance companies until late 1999 when it was acquired by Allstate. AHL offers a full-line of life and voluntary health, disability and accident products, marketed primarily at the workplace. Total assets in 2002 exceeded \$2.9 billion. Mr. Anderson also carried a chartered life underwriter (CLU) certification during his tenure at AHL.

From 1993 through 1995, Mr. Anderson was the Chief Executive Officer at E.G. Baldwin & Associates, Inc. in Cleveland, Ohio. Baldwin is the dominant regional distributor of medical imaging products and services to hospitals and other medical providers in the six-state region from central Michigan to New Jersey.

From 1990 to 1993 Mr. Anderson was President and Chief Executive Officer at Capitol American Financial Corporation in Cleveland. Capitol American was a life and supplemental health insurance company whose products consist primarily of cancer, accident, and heart insurance. It had 300 home office employees and over 2,000 producing agents in 47 states and two US territories. Mr. Anderson took Capitol American public in 1992 through an initial public offering of stock which traded on the NYSE.

Mr. Anderson served as Executive Vice President and Chief Financial Officer for Baptist Health Systems, Inc. of Jacksonville from 1984 to 1990. Baptist Health Systems at that time was a \$400 million healthcare system, which included three not-for-profit hospitals, diversified for-profit health products and services company and an active foundation.

From 1982 to 1984, Mr. Anderson held the position of Senior Vice President and co-manager of all healthcare investment banking activities for the southeastern United States for Underwood, Neuhaus & Company, Inc. of Jacksonville, Florida. From 1976 to 1982 Mr. Anderson served as Senior Vice President/manager of William G. Ceas & Company, a healthcare investment banking firm in Rolling Meadows, Illinois. Prior to that, Mr. Anderson was a certified public accountant and senior auditor and consultant with Ernst & Ernst of Chicago, Illinois.

Mr. Anderson serves in leadership positions in a number of civic organizations. He is the former chairman of the board of Baptist Medical Center Beaches and currently a member of the Board of Baptist Health, the hospital's parent. He is a past treasurer of the Jacksonville Chamber of Commerce, past member of the board of directors for the American Cancer Society of Jacksonville Beach, past member of the board

of directors for the Catholic Foundation of the Diocese of St. Augustine and past treasurer of the board of directors of the MS Society of North Florida.

Mr. Anderson, born in 1948, graduated from the University of Notre Dame with a bachelor's degree in Business Administration/Accounting followed by a Masters Degree (Double Major) in Finance/Industrial Relations from Northwestern University.

Timothy J. Anderson – Managing Director

Timothy J. Anderson joined Anderson Financial Partners as Managing Director in the summer of 2008 at the start of the global financial crisis. His passion for the economy coupled with his desire to act as both risk manager and portfolio theorist enables Mr. Anderson to uniquely serve his clients' best interests. Mr. Anderson has written nearly 600 weekly and quarterly economic commentaries and has been a source for the global financial press. Mr. Anderson was promoted to Chief Economist at Anderson Financial in 2014.

Prior to joining Anderson Financial Partners, **Timothy J. Anderson** was a practicing attorney specializing in medical malpractice defense and commercial defense litigation. His caseload included both the State and Federal jurisdictions. While no longer actively practicing law, Mr. Anderson continues to find a great deal of satisfaction advocating for his clients on a daily basis.

Prior to law school, from 2000 through 2002, Mr. Anderson served as a Legislative Assistant and Military Legislative Aide on Capitol Hill in Washington, D.C., working with Congressman Ander Crenshaw and later with Congressman John L. Mica. His areas of expertise included Banking, Finance, Tax, Budget, Small Business, Healthcare, Social Security, Regulatory Reform and Economic Development. Furthermore, Mr. Anderson was the co-liaison between the Office of Congressman John L. Mica and the United States Department of Defense, responsible for the military budget authorization and appropriation cycles.

From 1999 through 2000, Mr. Anderson was a Senior Associate within the Business Advisory Services group of PricewaterhouseCoopers. He was selected as one of 65 out of 3,000 to participate in the firm's only nationally accelerated partner program. While at PricewaterhouseCoopers Mr. Anderson serviced multiple Fortune 500 audit clients including Siemens, Tyco, Allmerica Financial, Citistreet, and State Street Funds. One highlight of his tenure at PwC was working on the acquisition of Siemens' Components Division by Tyco, a \$1.1 billion cash deal.

Mr. Anderson, born in 1976, graduated from the Boston College School of Management Honors Program with a degree in accounting and finance and attended a General Course Degree program at the London School of Economics. Mr. Anderson is also a graduate of the University of Florida Levin College of Law and is a member of the Florida bar. Most recently, Mr. Anderson completed an executive course in Investment Strategies and Portfolio Management at the University of Pennsylvania Wharton School of Management, taught by esteemed modern portfolio theorist Jeffrey Jaffey.

Mr. Anderson is actively involved in the community. He has proudly been invited to guest lecture on multiple occasions at the University of Florida College of Law on the topic of advanced financial statement analysis. Mr. Anderson is Vice Chair of Pine Castle, a center for adults with developmental and acquired disabilities, and recently concluded his term of service on the Jacksonville Board of Library Trustees. He also continues his services to the Atlantic Beach Police Pension Board. A regular volunteer at his children's school, Tim attends Mass at St. John the Baptist Catholic Church in Atlantic Beach, FL.

Most importantly for Tim, he and his wife Brooke have three children.

Item 5 Fees and Compensation

Full Service Fee Structure:

0.30% on the first \$10 million of investment assets

0.15% on investment assets in excess of \$10 million

Minimum Fee: \$10,000.00

Maximum Fee: Subject to negotiation

Services Include: Investment Policy Design & Implementation
 Asset Allocation Modeling (By Investment Style)
 Manager Search / Peer (Style) Analysis
 Performance Evaluation (Quarterly)
 Vendor Fee and Service Negotiations

401k / 403b Review Services:

0.10% of Assets - Minimum Fee: \$15,000.00 / Maximum Fee: Subject to negotiation, plus out of pocket expenses.

Replacement of Fund Vendor Fee: Subject to Scope of the Project.

Special Projects:

\$500.00 per hour plus out-of-pocket expenses.

*Fees are not negotiable, however Anderson Financial will waive certain fees when appropriate.

Billing Practices

Anderson Financial bills *clients* for fees incurred quarterly in arrears.

If Anderson Financial is ever paid a “marketing” or “referral” fee or commission for deploying client assets such monies received by Anderson Financial are credited 100% to the corresponding client’s invoice. In no circumstances does Anderson Financial profit from the selection of an investment manager for a client.

Anderson Financial does not recommend the purchase of specific securities. In service to our clients, we focus on risk tolerance, asset allocation and the recommendation of specialist managers who then manage specific portions of the client’s investment portfolio. The fees we charge are for our consulting services and are not related to the specific investments or investment products contained within a client’s portfolio. The fees are either fixed per quarter or year, or are based on a percentage of the assets in the client portfolio. Therefore, our fees can in no way be construed as commissions on products purchased or sold. Additionally, we do not charge fees contingent upon the success of a recommendation and our principals are not paid based on the results generated in a client’s portfolio.

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

Anderson Financial Partners does not charge performance based fees on any accounts.

Item 7 Types of *Clients*

Anderson Financial Partners currently consults to 37 clients, consisting of high net worth individuals, not-for-profit corporations and foundations, and pension and 401(k) plans. While there is no minimum account size, our minimum fee is cost prohibitive for accounts below a certain size.

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

Every investment in securities involves risk of loss that *clients* should be prepared to bear. There are no risk free investments in the world.

At Anderson Financial we strive to mitigate this risk through a thorough understanding of a client’s risk tolerance and the construction of asset allocation models to mirror such tolerance. After building the model we present it to the client and require them to ratify the strategy.

In order to implement the client’s investment strategy, we perform manager searches to pick the various managers who have historically outperformed the market, and performed in a manner superior to their peer group over time. After our search is complete we present the managers to our clients and explain the variables used to identify such best performers. Ultimately our client ratifies our suggestions or requires us to perform the search using different qualifiers.

Anderson Financial does not make security buy or sell decisions.

Primarily Anderson Financial recommends traditional asset allocation models comprised of equities and fixed income securities. When a client requests, we will expand that portfolio into various other strategies, including but not limited to: long short funds, commodity pools and managed futures.

Item 9 Disciplinary Information

Neither Anderson Financial Partners nor its principals have ever been subject to any disciplinary proceeding.

Item 10 Other Financial Industry Activities and Affiliations

Anderson Financial is not a broker-dealer.

Anderson Financial does not have relationships or arrangements related to our advisory business with ANY outside entity. Anderson Financial chooses broker dealers, custodians and money managers based solely on the best interest of our clients. Anderson Financial does not receive compensation from any such entity.

In summary, Anderson Financial is not conflicted in any way when offering advice to our clients.

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

Pursuant to both the internal ethics of Anderson Financial and SEC rule 204A-1 and similar state rules, Anderson Financial maintains and updates yearly an internal Code of Conduct and Ethics. Anderson Financial provides a copy of our Code of Conduct and Ethics to any client or prospective client both upon request and at the onset of contract services.

The Anderson Financial Code of Conduct and Ethics is as follows:

Code of Conduct and Ethics

The Anderson Financial Code of Conduct and Ethics is intended to be a fundamental part of our investment consulting practice of providing our clients the information needed to make intelligent and proper decisions regarding the investment assets under their responsibility.

Our consulting services, regardless of the account size and investment agenda, will be provided pursuant to the following:

- Independence and Objectivity: Anderson Financial is a fee only organization. We will work diligently to maintain independence and objectivity in our consulting activities. We have a duty to

our clients to act with the utmost in care and exercise prudent judgment in assisting our clients in meeting their investment objectives.

- **Suitability of Investment Agenda:** Anderson Financial will make appropriate inquiries into the client's or prospective client's investment objectives, experience, risk tolerance and financial constraints prior to making any investment recommendations.

Anderson Financial will provide the client (or prospective client) a risk tolerance questionnaire for completion as part of our due diligence. If there is a current Investment Policy, we will review said policy in conjunction with the risk-tolerance questionnaire to determine if the policy should be revised or maintained as written.

- **Confidentiality of Client Information:** Anderson Financial will not disclose any client information and/or use a client as a reference without permission.
- **Client Communication – Quarterly Performance Presentations:** Anderson Financial will always communicate investment performance in a manner that will ensure it is fair and accurate. We will use objective analysis in identifying which factors are important to the investment analysis, what actions or recommendations should be taken and the process and expected benefit to be derived from recommendations or actions taken.
- **Conflicts of Interest:** Anderson Financial will make full disclosure of any and all relationships with investment managers, institutions or other organizations. It is our policy that any fees offered by an investment organization will be accepted only if such fees can be applied fully to offset client invoices or other expenses incurred by or on behalf of a client.
- **Record Keeping:** Anderson Financial will maintain, either in hard copy or electronic copy, all investment recommendations, investment policies, manager analysis and quarterly performance reviews for a period of 5 years.

This Code of Conduct and Ethics will be reviewed and updated annually.

Anderson Financial does not make buy or sell decisions on individual securities on behalf of our clients. Therefore, although the principals at Anderson Financial would never seek to benefit from personal trading based on client recommendation, such an activity would be and simply is impossible.

Item 12 Brokerage Practices

At Anderson Financial the only criteria we consider when recommending broker-dealers for client transactions are quality and expense. Quality centers around manager platform and best execution while we expect our clients to be treated in a favorable way when it comes to expense. As a result of decades of experience we at Anderson Financial know the range to expect when broker-dealers price an asset allocation model.

Anderson Financial receives no benefit from any broker-dealer relationship. There are zero “soft-dollar” benefits asked for by Anderson Financial from any broker-dealer. Therefore, there is no incentive for Anderson Financial to pick any broker-dealer other than to serve the best interest of our clients.

Anderson Financial has, in the past, received client referrals from broker-dealers. However, Anderson Financial in no way factors such referrals into the broker-dealer hiring decision. In other words, in no way would a client referral from a broker-dealer make Anderson Financial more likely to recommend said broker-dealer unless that broker-dealer was the best fit for our client. There simply is no conflict of interest.

Item 13 Review of Accounts

Anderson Financial Partners is small by design. The fact that we have a limited number of clients allows us to review client accounts almost continuously, but quarterly at the very least. Rebalancing and the positive effect it has on portfolio performance and success requires periodic review as well.

A change in market conditions or a material change in the risk tolerance of a client would instantaneously trigger an account review as well.

Anderson Financial compiles and presents client reports quarterly. However, if a client requests an “off-quarter” report based on a change in market condition, a change in risk tolerance, schedule conflicts or any other life change, Anderson Financial provides this free of charge.

Item 14 *Client Referrals and Other Compensation*

Anderson Financial Partners may from time-to-time pay a third party for the introduction of a new client but such compensation, if paid, is fully disclosed to the client. Anderson Financial Partners pays one such trailing commission.

Item 15 ***Custody***

Anderson Financial Partners, Inc. does not have custody of any client funds.

Item 16 **Investment Discretion**

Anderson Financial Partners does not accept discretion to manage any security accounts on behalf of our clients.

Item 17 **Voting *Client* Securities**

Anderson Financial Partners does not have authority to vote client securities. Clients receive their proxies or other solicitations directly from their custodian or a transfer agent. If a client has questions about a proxy or other solicitation received they can contact Anderson Financial as part of our underlying service agreement.

Item 18 **Financial Information**

Anderson Financial Partners does not require or solicit prepayment for any services. Furthermore, Anderson Financial Partners exercises no discretionary authority over, or custody of any client funds or securities.

Item 19 **Requirements for State-Registered Advisers**

Please see biographical information as included in **Item 4**. Anderson Financial Partners does not engage in any performance-based fee arrangements. Furthermore, Anderson Financial Partners has never been found liable in any claim.



Item 1 Cover Page

Part 2B of Form ADV: Brochure Supplement

Supervised Person Information

Timothy J. Anderson
Managing Director and Chief Economist

Anderson Financial Partners, Inc.
212 Ponte Vedra Park Drive, Suite 200
Ponte Vedra, FL 32082

March 1, 2023

This brochure supplement provides information about Timothy J. Anderson, Managing Director that supplements the Anderson Financial Partners, Inc. brochure. You should have received a copy of that brochure. Please contact Angela Fortner of our office if you did not receive Anderson Financial Partners' brochure or if you have any questions about the contents of this supplement.

Item 2 Educational Background and Business Experience

Timothy J. Anderson – Managing Director

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Item 3 Disciplinary Information

There have never been any disciplinary events related to Timothy J. Anderson filed with or made a part of any file with any criminal, civil, military or other court of competent jurisdiction. Furthermore, Mr. Anderson has never been the subject of any investigation or proceeding by the SEC, FINRA or any self-regulatory organization.

Item 4 Other Business Activities

Timothy J. Anderson is not actively engaged in any investment-related business or occupation other than Anderson Financial Partners, Inc.

Item 5 Additional Compensation

The only compensation received by Timothy J. Anderson for any investment-related business or occupation comes directly from Anderson Financial Partners, Inc.

Item 6 Supervision

Timothy J. Anderson, Managing Director, is directly supervised at Anderson Financial Partners, Inc. by:

John K. Anderson, Jr.
Managing Partner
(904) 280-8995

Item 7 Requirements for State-Registered Advisers

This item is not applicable to Timothy J. Anderson.