



Affiliated Financial Advisors, Inc (AFA) is an investment advisor registered with the Securities and Exchange Commission. AFA, like many investment advisors, offer different services under differing compensation structures than traditional broker-dealers and it is important for retail investors like you to understand the differences between them. Educational materials about investment advisers, broker-dealers, and investing in general are available, along with free and simple tools to research firms and financial professionals, at [www.investor.gov/CRS](http://www.investor.gov/CRS).

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Affiliated Financial Advisors Inc provides non-discretionary investment supervisory services designed to meet the needs of each of our clients. Our services generally begin by meeting with you to discuss your investment goals, risk tolerance, and liquidity needs. If necessary, we will work with you and your other professional advisers, such as attorneys and accountants as a team to develop a holistic plan in a manner that is consistent with your long term planning objectives.




**Monitoring:** Our investment supervisory services include the continual monitoring of investments recommended by our team. This includes a closer review of your individual portfolio at least quarterly to confirm that it remains aligned with your established targets. We will also recommend any changes or appropriate adjustments when necessary.

**Investment Authority:** AFA offers non-discretionary investment advisory services. Because we do not have discretionary authority over our clients' accounts, we need your expressed permission before implementing any transactions or changes – you make all final decisions over

security purchases and sales, timing of transactions, and any changes to your selected asset allocation model.

**Account Minimums and Other Requirements:** We do not impose any strict requirements with respect to account minimums or other requirements in the belief everyone deserves access to sound, professional financial advice that is specific to their circumstances.

### Conversation Starters. Ask your financial professional:

-  Given my financial situation, should I choose an investment advisory service? Why or why not?
-  How will you choose investments to recommend to me?
-  What is your relevant experience, including licenses, education, and other qualifications? What do these qualifications mean?

### Additional information

Additional information about the services we offer can be found under Item 4 and Item 7 of our [Form ADV Part 2A](#) disclosure brochure.

## WHAT FEES WILL I PAY?


**Our Fees.** Our fee for investment management services is generally calculated as a percentage of the value of your assets under our management and billed quarterly. Our investment management fee is based on the amount of assets managed, and the more assets under management, the more you will pay in management fees. We have an incentive to encourage you to increase the amount of assets under our management. Note AFA offers a reduction of asset based fees at specific break points with no investment advisory fee exceeding .75% annually of assets managed.

**Other Fees and Costs.** In addition to AFA investment advisory fee you pay for our service, there are other fees and costs, if incurred, that you will be responsible for, such as other transaction costs, custodial fees, margin interest, and costs to transfer or wire funds.

**Mutual Funds / Exchange-traded Funds (ETFs).** Certain investment products, such as mutual funds and exchange-traded funds (ETFs), charge their shareholders ongoing fees to cover operating costs (such as portfolio management fees, legal & accounting expenses, and marketing fees). These costs are incorporated into the price you pay for the products and receive when selling them. Be aware, these costs can vary and should be a consideration in fund selection and management.

You will pay fees and costs whether your investments experience gains or losses. Fees and costs will reduce gains and return on your investments over time. Please make sure you understand what fees and costs apply and be sure to ask your investment advisor if you have any questions.

**Conversation Starters. Ask your financial professional:**

-  Help me understand how these fees and costs might affect my investments:  
*If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**Additional information**

Additional information about our fees and other costs of investing can be found under Item 5 of our [Form ADV Part 2A](#) disclosure brochure.

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## WHAT ARE YOUR LEGAL OBLIGATIONS WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

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**When we act as your investment advisor**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts occur with your interests. You should understand and ask us about these conflicts as they can affect the investment advice we provide you.


*Example 1:* While consolidating accounts might simplify your finances, any increase of your assets to our firm increase our advisor fees received.

*Example 2:* We are able to recommend health, life, annuity, or disability insurance when appropriate as our investment advisors are licensed in these areas. While these are separate from investment advisory services, conflicts or incentives exist outside of our investment advisory services. These conflicts include commission-based insurance products and incentives to recommend other products. Although this conflict exists, we attempt to mitigate its effect by notifying you and confirming that you are under no

expectation or obligation to implement any recommendations.

*Example 3:* When appropriate, we are able to refer or recommend CPAs, or attorneys for complex tax and estate planning matters. While we receive no referral fees and no commission or fees are shared from such professional arrangements, through goodwill, often referrals are reciprocated providing a benefit to our firm. Please be sure to talk with your advisor about any conflicts, as well as any benefits of such coordinated planning.

**Conversation Starter. Ask your financial professional:**

-  How might your conflicts of interest affect me and how will you address them?

**Additional information**

Additional information about the conflicts of interests we face can be found throughout our [Form ADV Part 2A](#) disclosure brochure.

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## HOW DO YOUR INVESTMENT PROFESSIONALS MAKE MONEY?

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Your financial professional receives a portion of the asset-based advisory fees you pay for asset management and other project advisory services. While consolidating accounts and assets under our management can simplify your finances, if you pay asset-based fees, our financial professionals have an incentive to recommend increasing assets under AFA's management, as it will increase advisor compensation. You are encouraged to discuss with your advisor, all costs, fees and potential conflicts associated with AFA's services. Also, please feel free to notify or request to speak with our firm's compliance officer and principal, George M. Schmidley, with any concerns or issues.

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## DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?



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No. A free and simple search tool is available to help research financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS).

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Additional information about us and the services we provide, including an up-to-date copy of this Form CRS, can be found online on our website, [www.affiliatedfa.com](http://www.affiliatedfa.com), or by searching our firm's name or CRD number (108154) at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or by contacting us at 414-476-4999.

**Conversation Starters. Ask your financial professional:**

-  Who is my primary contact person?  
 Who can I talk to if I have concerns about how this person is treating me?