

First Financial Advisors, Inc.
Relationship Summary
June 30, 2020

First Financial Advisors, Inc. is a SEC-registered investment advisor; we are not registered as a broker-dealer. Brokerage fees and investment advisory fees differ. Since it is important that you understand the differences, we are providing this *Relationship Summary*, as required by federal law, to help explain. Please note that there are free and simple tools available to research firms and financial professionals at *Investor.gov/CRS*, which also provides educational materials about broker-dealers, investment advisors and investing.

“What investment services and advice can you provide me?”

First Financial Advisors offers investment advisory services to retail investors, including individuals, high net worth individuals, pension and profit-sharing plans (including 401(k) plans, SEPs, SIMPLE IRA plans, and the like), trusts and estates, charitable institutions, corporations and other business entities.

We provide discretionary investment management and financial planning services, which include giving you ongoing advice and actively making investment decisions for you based on your individual needs. We primarily provide investment advice and investment management services with regard to no-load, load-waived, and no-transaction-fee mutual funds. Additionally, we regularly furnish financial planning and advice on financial matters not involving investment securities.

We select investments for you based on your risk tolerance, cash flow needs and other factors. We monitor your investments continually and, if necessary, make changes for you if performance does not meet our expectations. This is known as *discretionary authority*. Our discretionary authority is limited inasmuch as we must invest according to your chosen asset allocation. Additionally, we are required to act as your fiduciary, which means we must put your interests ahead of our own when making investment decisions for you. We do not offer proprietary, or “in-house,” investment products since those can lead to conflicts of interest.

For additional, detailed information about our services, please refer our *Firm Disclosure Brochure (Form ADV, Part 2A)*, which is available any time at your request by contacting our office.

“What fees will I pay?”

First Financial Advisors charges a quarterly, asset-based fee to manage your investment accounts. Our annualized fee schedule is as follows:

Up to \$1M in assets	1.00%
Above \$1M up to \$2M	0.75%
Above \$2M up to \$5M	0.50%
Above \$5M	0.375%

Your quarterly fees will be calculated on the fifteenth day of the month prior to the new calendar quarter and are charged on the first business day of the calendar

Conversation Starters:

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 your licenses, education and other qualifications? What do these qualifications mean?

Help me understand how your 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?

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

As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

quarter. For purposes of achieving break-point discounts, all of your accounts managed by us will be aggregated (including those of your spouse and minor children). We believe asset-based fees are better for many investors because they eliminate the conflicts of interest inherent with transaction-based fees (i.e., sales commissions). However, you should be aware that the more you invest with us, the more we get paid, even though it may be at a lower rate. We therefore have an incentive to encourage you to invest more.

The advisory fees you pay us are the only compensation we receive. However, there are additional costs to investing, such as mutual fund expense ratios, which you will pay. In addition, there may be short-term redemption fees, account closure charges, and of course, taxes. It is our goal to help you minimize these as much as possible since higher expenses don't benefit either or us. Please note that you will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make in your investments over time. Please make sure you understand what fees and costs you are paying.

“What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?”

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 with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- a. As mentioned above, since we get paid a percentage of assets managed, it benefits us to encourage you to invest more.
- b. We occasionally refer clients to other professionals, such as attorneys, CPAs and insurance providers. These same professionals occasionally refer clients to us. Although no financial consideration is exchanged, this type of referral arrangement could lead to conflicts since referrals often benefit us.

“How do your financial professionals make money?”

Our financial advisors, who are also owners of the firm, are paid a base salary, plus distributions based on the firm's profitability. We may also occasionally receive non-cash benefits such as educational materials or business meals (e.g., lunch) provided by vendors.

“Do you or your financial professionals have legal or disciplinary history?”

No, we do not. Please feel free to verify that by visiting Investor.gov/CRS for a free and simple search tool to research First Financial Advisors and our financial professionals.

Additional Information

For additional information about our investment advisory services, please visit www.firstfinancialadvisors.com. To request an additional, up to date copy of this free Relationship Summary, please call our office at 231-733-4084, or write to us at:

First Financial Advisors, Inc.
950 W. Norton Avenue, Suite 415
Muskegon, MI 49441