

The Arkansas Financial Group – Form CRS

Item 1 – Introduction

The Arkansas Financial Group (“AFG”, “we”, “us” or “our”) is registered with the Securities Exchange Commission (“SEC”) as a registered investment adviser. Investment advisory services and compensation structures differ from that of a registered broker-dealer, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

AFG offers wealth management services which generally include a broad range of financial planning services as well as the management of investment portfolios. We typically provide these discretionary and/or non-discretionary investment advisory services on a *fee-only* basis to individuals and high net worth individuals. In limited circumstances, we may provide wealth management and investment management to pension and profit sharing plans, trusts and estates, charitable organizations, corporations and other business entities. We may also provide financial planning and retirement plan consulting on a separate fee basis. These individuals, high net worth individuals, pension and profit sharing plans, trusts and estates, and charitable organizations are collectively referred to herein as our “retail investor” or “client”.

When AFG provides financial planning through its Core Financial Planning Services, we rely upon the information provided for our review and do not verify or monitor any such information while providing this service. Our financial planning and consulting services are completed upon the communication of our recommendations to the retail investor. If requested by the client, AFG may recommend the services of other professionals for implementation purposes. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from AFG.

When we provide discretionary investment management services, we shall monitor, on a continuous basis, the investments in the accounts over which we have discretionary authority as part of our investment management service. AFG primarily invests clients’ assets among mutual funds, exchange-traded funds (“ETFs”), and individual debt securities. Individual equity securities, options, and the securities components of variable annuities and variable life insurance contracts are held only at the client’s request or pending liquidation. AFG may also render discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, or other products that may not be held by the client’s primary custodian.

AFG generally does not impose a minimum asset level requirement. **Additional Information:** For more detailed information about our *Advisory Business* and the *Types of Clients* we generally service, please see Items 4 and 7, respectively in our [ADV Part 2A](#).

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?

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What Fees will I pay?

AFG provides clients with wealth management services for a wealth management fee, which is comprised of the core financial planning fee (the “Core Fee”) and the investment management fee. The fee for investment management is separate from, and in addition to AFG’s financial planning fee. The Core Fee is an annual fixed fee that is calculated based on AFG’s anticipated and/or actual number of billable hours spent providing clients with the core financial planning services. In calculating the Core Fee, AFG takes into consideration the level and scope of the required services and the professional rendering such services. The hourly rates of AFG’s professionals range from \$50 to \$350. AFG generally imposes a minimum annual Core Fee of \$600. AFG, in its sole discretion, may waive its annual minimum fee, charge a lesser fee or charge a flat fee based upon certain criteria. Thus, the Core Fee may be waived or, may be more than the Core Fee charged to another client.

AFG provides investment management services for an annual fee based on the amount of assets under the firm’s management. The fee varies between negotiable and 0.90%, depending on the size of a client’s portfolio pursuant to the client’s agreement. AFG’s investment advisory fee may vary depending on the size of the portfolio. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by AFG to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth in AFG’s current standard fee schedule.

Our annual investment advisory is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by AFG on the last day of the previous billing period. Because our fee is based on the amount of your assets under our management, the more assets you entrust us to manage, the more you will pay us for our services although at a lower fee rate. Therefore, we have an incentive to encourage you to increase the amount of assets that you entrust to us. For stand-alone financial planning services, we typically charge either a fixed fee or we bill our standard hourly rates. See Item 5 in our [ADV Part 2A](#) for more information.

Other Fees and Costs: Your investment assets will be held with a qualified custodian. AFG generally recommends that Fidelity serve as the broker-dealer/custodian for client investment management assets. Fidelity may charge transaction fees for effecting securities transactions. In addition to AFG's investment advisory fee, the client may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include securities brokerage commissions, transaction fees (i.e., mutual funds exchange traded funds, individual equity and fixed income securities, etc.), custodial fees, and charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus. AFG receives no portion of these additional fees and expenses. When beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (Fidelity). Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian.

Additional Information: We do not accept performance-based fees. 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 on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about our fees and costs related to our management of your account and other services, please see Items 5 and 12 in our [ADV Part 2A](#).

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?

What are your legal obligations to me when acting as my investment adviser?

When we act as your investment adviser, 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. Below is an example to help you understand what this means:

AFG may engage in a cross-transaction pursuant to which AFG may effect transactions between two of its managed client accounts (i.e., arranging for clients' securities trades by "crossing" these trades when AFG believes that such transactions [generally, thinly traded bonds] are beneficial to its clients). This may present a conflict of interest.

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

Additional Information: For more detailed information about our conflicts of interest, please review our [ADV Part 2A](#).

How do your financial professionals make money?

Our financial advisors are compensated through a base salary and a discretionary bonus at the end of the year. AFG does not receive, directly or indirectly, compensation from other investment advisers that it recommends or selects for its clients. You should discuss your financial professional's compensation directly with your financial professional. For any information on how our financial professional are compensated, please review the disclosures in our [ADV Part 2A](#) Items 14.

Item 4 – Disciplinary History

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

No. However, we encourage you to visit www.Investor.gov/CRS to research our firm and our financial professionals. Furthermore, we encourage you to ask your financial professional: *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

Item 5 – Additional Information

Additional information about AFG is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer, Mary E. McCraw at any time to request a current copy of our ADV Part 2A or our *relationship summary*. Our Chief Compliance Officer may also be reached by phone: (501) 376-9051.

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