StrategIQ Financial Group, LLC - Form CRS

Item 1 Introduction

StrategIQ Financial Group, LLC is registered with the Securities and Exchange Commission as an Investment Adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at Investor.gov/CRS which also provides information tailored to educate retail investors about financial professionals.

Item 2 Relationships and Services

What investment services and advice can you provide me?

Our firm offers the following investment management services to retail investors.

- Portfolio management—monitored continuously as part of our standard service.
- Buying and selling securities—monitored continuously as part of our standard service.
- Personal investment strategies—monitored continuously as part of our standard service.
- Our firm may be engaged to provide financial planning services but no investment management services.

Our firm provides investment discretion with respect to the above services. Any investments subject to our discretionary investment management are deemed assets under management. If you invest on a discretionary basis, our firm will buy and sell assets under management without requiring your pre-approval on an ongoing basis until you notify us in writing of your switch to investing on a non-discretionary basis. Our firm also provides investment analysis and nondiscretionary investment recommendations with respect to certain assets that are not assets under management (“assets under advisement”).

Our firm has a minimum investment requirement, subject to waiver.

For additional information, see our Form ADV, Part 2A brochure (specifically Items V and VII of Part 2A or Items 4(A)) at https://www.sfgweb.com/disclosures or https://www.adviserinfo.sec.gov/IAPD/default.aspx.

Our firm offers the non-discretionary services listed below, except with respect to Assets Under Management, which means that you make the ultimate decision regarding the purchase or sale of such non Assets Under Management investments. Our planning services provide a snapshot, meaning that they are current as of the time that they are provided.

- Financial planning—our firm does not monitor your accounts.
- Retirement planning—our firm does not monitor your accounts.
- Estate planning—our firm does not monitor your accounts.
- Investment recommendations—our firm does not monitor your accounts.

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 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?

Our firm charges fees for its investment management services of assets under management and advisement services with respect to assets under advisement, all of which are assessed quarterly. Our firm may charge subscription fees for your access and use of its interactive wealth management platform and may charge flat fees for the delivery of financial planning services. All of our fees are more fully described in our Form ADV Part 1A, Item 5.E. and our Form ADV Part 2A, Items 5(A) - (D). Some fees create a conflict of interest described below and in more detail in our Form ADV Part 2A.

- If our firm charges you asset based fees, more assets in the account will cause you to pay our firm more in fees and therefore we may have an incentive to encourage you to increase the amount of money invested in those accounts.
- If our firm charges you asset based fees that include asset based fees with respect to assets in particular strategies group, because the percentage fee applicable to each strategies group is different, we may have an incentive to encourage you to increase the amount of money invested in assets subject to a higher strategies group fee percentage.
- If our firm charges hourly fees, our firm has an incentive to recommend specific courses of action through the firm's services that may lead to representatives and/or the firm receiving additional compensation.

Additional Information:

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, see our Form ADV, Part 2A brochure (specifically Items 5(A) - (D)) at https://www.sfgweb.com/disclosures or https://www.adviserinfo.sec.gov/IAPD/default.aspx.

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?

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

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 to you. Here are examples to help you understand what this means.

Conversation starters. *Ask your financial professional:*

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

How do your financial professionals make money?
Most of our professionals are salaried. These professionals may receive discretionary periodic bonuses that may be related, among other things, to the assets that they service or the revenue that the firm earns. Some of our professionals are not salaried and their compensation may be a fixed fee for services or a variable fee based on our firm's revenues. Our professionals, therefore, may, but do not necessarily, earn (1) higher compensation if our firm manages more of your investments or the value of your investments subject to our management increases or (2) lower compensation if such investments of yours managed by our firm, or their value, decreases.

Do you have other conflicts of interests?

Yes, they are described in our Form ADV, Part 2A brochure. Below is one of such described conflicts of interest.

Conflict: Our firm's recommendation to you to rollover any of your retirement plan assets into an account managed by our firm creates a conflict of interest because our firm receives investment advisory fees for the investment management of such assets. Our firm has an economic incentive to encourage you to (A) roll plan assets into an IRA that our firm manages or (B) engage our firm to provide investment analysis and recommendation services to you with respect to a retirement account of yours maintained at your employer.

How our firm addresses the Conflict: Our firm considers various factors before recommending such rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus SFG, (iv) protection of assets from creditors and legal judgments, required minimum distributions, beneficiary options and age considerations, and (vi) employer stock tax consequences, if any. Our firm reminds you that you have four options regarding an existing retirement plan (and can engage in a combination of these options): (a) leave the money in your former employer's plan, if permitted, (b) roll over the assets to your new employer's plan, if one is available and rollovers are permitted, (c) rollover to an IRA, or (d) cash out the account value (which could, depending upon your age, result in adverse tax consequences). Our firm also explains that leaving your plan assets with your old employer or rolling your assets to a plan sponsored by a new employer will result in no compensation to our firm (unless the account maintained at your employer is an asset under advisement, according to your investment advisory agreement with our firm, with respect to which our firm provides investment analysis and recommendation services and receives investment advisory fees). In connection with a rollover of your retirement plan assets to one or more IRAs managed by our firm, our firm and our investment adviser representatives working with you in connection with such rollover serve as your fiduciaries under ERISA, or the Internal Revenue Code, or both.

Additional information:
For more detailed information about our conflicts of interests, see our Form ADV, Part 2A brochure (specifically Items IV(G)(3), X(C), XI(B) - (D), and XIV(A)) at https://www.sfgweb.com/disclosures or https://www.adviserinfo.sec.gov/IAPD/default.aspx.

<u>Item 4 Disciplinary History</u>
Do you or your financial professionals have legal or disciplinary history?
Yes, one of our firm's investment adviser representatives has a legal or disciplinary disclosure with the SEC. However, our firm and its executive officers do not have any legal or disciplinary disclosures with the SEC. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Conversation Starters. *Ask your financial professional:*

– As a financial professional, do you have any disciplinary history? For what type of conduct?

<u>Item 5 Additional Information</u>
You can find additional information about our services and request a copy of the relationship summary by visiting www.sfgweb.com; emailing at msleuwen@sfgweb.com or calling us at 219-736-8902.

Conversation starters. *Ask your financial professional:*

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

Item I. Cover Page

Form ADV

June 30, 2020

Part 2A

StrategIQ® Financial Group, LLC

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sfgweb.com

This brochure ("**Brochure**") provides information about the qualifications and business practices of StrategIQ® Financial Group, LLC ("**SFG**"). If SFG clients (or prospective SFG clients) have any questions about the contents of this Brochure, please contact SFG at 219.736.8902 or msleuwen@sfgweb.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority. Registration with the SEC or a state regulatory authority does not imply a certain level of skill or expertise.

SFG clients (or prospective SFG clients) should review this Brochure in conjunction with SFG's separate brochure supplement ("**Supplement**"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the SFG supervised person(s) working with SFG clients on SFG's behalf or who may otherwise participate in the advisory services provided to SFG clients.

Additional information about SFG or any of the SFG supervised persons (who are registered under SFG) is also available on the SEC's Investment Adviser Public Disclosure ("**IAPD**") which can be found at www.adviserinfo.sec.gov.

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at http://www.sec.gov/about/forms/formadv.pdf.

Item II. Material Changes

This Brochure is SFG's disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, SFG will ensure that SFG clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, SFG will provide SFG clients with other interim disclosures about material changes as necessary.

The following are the Material Changes made to the Brochure since SFG's last annual Brochure disclosure filing dated March 25, 2019.

Item IV(B)(2) Investment Management Services
This item describes the Investment Management Services provided by SFG with respect to Assets Under Management.

Item IV(B)(3) Advisement Services
This item describes the Investment Analysis Services provided by SFG with respect to Assets Under Advisement.

Item IV(B)(5) Incidental Services and Additional Services
This item describes the Incidental Services and Additional Services, including Financial Planning Services, provided by SFG.

Item V(A) Methods of Compensation and Fee Schedule
This item describes the Adviser Fees applicable to new SFG clients.

Item VIII(A)(4) Investment Strategies
This item describes SFG's investment strategies.

Item XVIII(A) Balance Sheet
This item explains why SFG is not required to prepare and deliver an audited balance sheet with respect to the most recently completed fiscal year.

Item III. Table of Contents

Item IV. Advisory Business

IV(A) Description of your Investment Advisory Firm

(A)(1) General

SFG is a Delaware limited liability company doing business as StrategIQ®, StrategIQ® Financial, StrategIQ® Financial Group, Strategic Financial Group, or SFG. SFG is wholly owned by IQ Companies, LLC. Chad E. Hassinger owns more than 25 percent of the units of IQ Companies. SFG (including its predecessor, Strategic Financial Group, LLC, an Indiana limited liability company) has been offering investment advisory services since April 1996. SFG is a fee-only investment advisory firm, offering asset management, financial planning, and consulting services.

(A)(2) Investment Committee

SFG's investment committee is comprised of certain members of the executive officer team of SFG, certain members of the investment department of SFG (including the Chief Investment Officer of SFG) and certain senior members of the investment advisory team of SFG. All members are appointed by the CEO and are voting members.

SFG's investment committee has the following goals and responsibilities with respect to the investment practices of SFG:

- To develop, review and approve the investment strategies of SFG.
- To evaluate and monitor appropriate risk exposures relative to investment strategy thresholds.
- To review the performance of the investment strategies to ensure adherence to SFG's investment philosophy.

SFG clients work directly with investment adviser representatives that are members of the investment advisory team assigned to such SFG client. These investment adviser representatives recommend specific investment strategies developed by the Investment Committee based on such SFG client's investment goals, risk tolerance and stated objectives and needs.

IV(B) Description of Advisory Services Offered

(1) Types of Securities/Investments

SFG provides investment management services in relation to diverse types of securities/investments. The list of securities/investments below is not all-inclusive and is subject to change.

- **Equity Securities**

  U.S. equities provide long-term capital growth and serve as a long-term inflation hedge. International equities also provide long-term capital growth, serve as a long-term inflation hedge, diversify currency exposure, and increasing overall portfolio diversification.

- **Mutual fund securities (open end)**

  A mutual fund is a company that brings together money from many people and invests it in stocks, bonds or other assets. The combined holdings of stocks, bonds or other assets the fund owns are known as its portfolio. Each investor in the fund owns shares, which represent a part of these holdings.

- **Closed-end funds**

A closed-end fund is a collective investment model based on issuing a fixed number of shares which are not redeemable from the fund. Unlike open-end funds, new shares in a closed-end fund are not created by managers to meet demand from investors. Instead, the shares can be purchased and sold only on the securities exchange where it maintains a listing. In the United States, closed-end funds sold publicly must be registered under both the Securities Act of 1933 and the Investment Company Act of 1940.

- **Interval Fund**

  An interval fund is a type of investment company model that periodically offers to repurchase its shares from shareholders. That is, the fund periodically offers to buy back a stated portion of its shares from shareholders. Shareholders are not required to accept these offers and sell their shares back to the fund. Legally, interval funds are classified as closed-end funds, but they are very different from traditional closed-end funds in that their shares typically do not trade on the secondary market. Instead, their shares are subject to periodic repurchase offers by the fund at a price based on net asset value.

- **Exchange traded funds (ETFs)**

  Exchange-traded funds (ETFs) are SEC-registered investment companies that offer investors a way to pool their money in a fund that invests in stocks, bonds, or other assets. In return, investors receive an interest in the fund. Most ETFs are professionally managed by SEC-registered investment advisers. Some ETFs are passively-managed funds that seek to achieve the same return as a particular market index (often called index funds), while others are actively managed funds that buy or sell investments consistent with a stated investment objective.

  ETFs are not mutual funds. But, they combine features of a mutual fund, which can only be purchased or redeemed at the end of each trading day at its NAV per share, with the ability to trade throughout the day on a national securities exchange at market prices. Before investing in an ETF, you should read its summary prospectus and its full prospectus, which provide detailed information on the ETF’s investment objective, principal investment strategies, risks, costs, and historical performance (if any). Some examples of ETFs are SPDRs®, Powershares® and iShares®.

- **Municipal Securities**

  A general term referring to a bond, note, warrant, certificate of participation or other obligation issued by a state or local government or their agencies or authorities (such as cities, towns, villages, counties or special districts or authorities). A prime feature of most municipal securities is that interest or other investment earnings on them are generally excluded from gross income of the bondholder for federal income tax purposes. Some municipal securities are subject to federal income tax, although the issuers or bondholders may receive other federal tax advantages for certain types of taxable municipal securities. Some examples include Build America Bonds, municipal fund securities and direct pay subsidy bonds.

- **US Government Securities**

  U.S. government (federal) securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities.

- **Warrants and Rights**

  Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends, and have no rights with respect to the assets of the issuer.

- **Fixed Income Instruments (Corporate or governmental debt instruments, Commercial paper, Certificates of deposit)**

  Fixed income investments add stability and income to portfolios while providing limited protection against extreme economic environments such as a depression or uncontrolled inflation.

- **Master Limited Partnerships**

  Generally, master limited partnerships (MLPs) are exchange-traded investments that are focused on exploration, development, mining, processing, or transportation of minerals or natural resources. MLPs hold cash-generating assets such as oil and gas properties or pipelines. MLPs have certain characteristics that can make them attractive to some investors, including partnership tax consequences, limited liability to investors for the MLP's debts, and anticipated consistent distributions of cash.

- **Private placements**

  A securities offering exempt from registration with the SEC is sometimes referred to as a private placement or an unregistered offering. Under the federal securities laws, a company may not offer or sell securities unless the offering has been registered with the SEC or an exemption from registration is available.

  Generally speaking, private placements are not subject to some of the laws and regulations that are designed to protect investors, such as the comprehensive disclosure requirements that apply to registered offerings. Private and public companies engage in private placements to raise funds from investors. Hedge funds and other private funds also engage in private placements.

  The securities involved may be, among other things, common or preferred stock, limited partnerships interests, a membership interest in a limited liability company, or an investment product such as a note or bond.

- **Variable annuities**

  A variable annuity is a contract between a person and an insurance company, under which a person makes a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to such person beginning immediately or at some future date. The person can choose to invest your purchase payments in a range of investment options, which are typically mutual funds. The value of an account in a variable annuity will vary, depending on the performance of the investment options selected.

  Variable annuities often also offer many features including:

  - tax deferral on earnings;
  - a death benefit; and
  - the option of receiving a stream of periodic payments for either a definite or indefinite period.

  Variable annuities also often offer optional living benefit features that provide certain protections for payouts, withdrawals or account values, against the effect of investment losses and/or unexpected longevity.

- **Options on securities**

  Options are contracts giving the owner the right to buy or sell an underlying asset, at a fixed price, on or before a specified future date. Options are derivatives (they derive their value from their underlying assets). The underlying assets can include, among other things, stocks, stock indexes, exchange traded funds, fixed income products, foreign currencies, or commodities. Option contracts trade in various securities marketplaces between a variety of market participants, including institutional investors, professional traders, and individual investors. Options trades can be for a single contract or for several contracts.

(2) Investment Management Services

SFG provides investment supervisory or investment management services ("***Investment Management Services***") with respect to those accounts of an SFG client for which SFG is engaged to provide Investment Management Services pursuant to an investment advisory service agreement between SFG and such SFG client ("**Investment Advisory Agreement**") and which are held at custodians with whom SFG has a services agreement (the assets in such accounts being referred to as "***Assets Under Management***").

Assets Under Management and Assets Under Advisement (the latter being defined in the following paragraph) are sometimes referred to individually or collectively in this Brochure as "***Assets***".

(3) Advisement Services

SFG provides investment analysis of, and allocation recommendations with respect to, ("**Advisement Services**") those accounts of an SFG client for which SFG is engaged to provide Advisement Services pursuant to an Investment Advisory Agreement and which are held at custodians other than custodians with whom SFG has a services agreement (the assets in such accounts being referred to as "***Assets Under Advisement***"). Such services do not include, and SFG is not responsible for, arranging or effecting the purchase or sale of Assets Under Advisement. SFG does not have trading authority for Assets Under Advisement. SFG's service relative to Assets Under Advisement is limited to investment analysis and allocation recommendation services and related advice.

As such, with respect to any SFG client with Assets Under Advisement, it is the SFG client (and/or, if applicable, an investment professional other than SFG which such SFG client has engaged as investment advisor with trading authority with respect to any of the Assets Under Advisement), and not SFG, that is exclusively responsible for directly implementing any recommendations relative to the Assets Under Advisement. SFG shall not be responsible for any implementation error (timing, trading, etc.) relative to any Assets Under Advisement.

In the event that any SFG client desires that SFG provide discretionary investment advisory services (whereby SFG would have trading authority) with respect to any portion of any Assets Under Advisement, the SFG client and SFG must expressly agree, pursuant to an amendment of the Investment Advisory Agreement, that such portion of any Assets Under Advisement shall become Assets Under Management, which may require the transfer of any such portion of any Assets Under Advisement to a custodian that has a services agreement in place with SFG.

(4) Discretionary vs. Nondiscretionary Investment Advisory Services

Discretionary:

SFG provides investment advisory services on a discretionary basis only with respect to Assets Under Management (and not Assets Under Advisement). SFG designs, develops and uses proprietary portfolio strategies and custom investment management portfolios for SFG clients, in each case, on a discretionary basis. Investment decisions are based on factors such as an SFG client's investment objective, risk tolerance, net worth, net income, age, investment time horizon, income and liquidity considerations, tax considerations, limitations on investment holdings, and other suitable factors. Sources of information used to develop investment recommendations include SFG client questionnaire(s) and interview(s), review of SFG client's current portfolio, analysis of historical risk/return characteristics of various asset classes, analysis of the long-term outlook for global financial markets and analysis of the long-term global economic and political environments. Discretionary actions of SFG include the selection of securities to be bought or sold, the amount of securities to be bought or sold, the timing as to when such securities are to be bought or sold, the broker-dealer or custodian to be used and the engagement or the termination of advisors or sub-advisors. Specific discretionary authority is set forth in the Investment Advisory Agreement.

Non-Discretionary:

In limited circumstances, SFG provides investment advisory services on a non-discretionary basis. In such cases, SFG provides periodic review and investment recommendations to SFG clients with respect to their Assets Under Management or Assets Under Advisement, as described in the applicable Investment Advisory Agreement. If a recommendation from SFG to an SFG client relating to Assets Under Management is approved/authorized by such SFG client, SFG will facilitate the execution of such recommendations, using its discretion as to the timing of the transaction or the setting of limit prices related to such recommendations. If a recommendation from SFG to an SFG client relates to Assets Under Advisement, such SFG client is responsible for the execution of such recommendation.

(5) Incidental Services and Additional Services

Certain services provided by SFG are incidental to the Investment Management Services and Advisement Services that SFG provides under an Investment Advisory Agreement, while others are additional services that require an additional agreement (which may be in the form of an appendix to the Investment Advisory Agreement).

The following services are incidental services provided to SFG clients under an Investment Advisory Agreement: (i) limited financial planning services incidental to Assets that do not require any integrated planning or any substantial research on the part of SFG, including Adviser's responses to an SFG client's financial planning questions of narrow scope or SFG's limited financial planning analysis, (ii) limited investment analysis or allocation recommendation services incidental to securities, cash or cash equivalents, or other financial, investment or insurance instruments, or related contracts, in each case, of an SFG client, other than Assets Under Management or Assets Under Advisement, which such SFG client has expressly identified to Adviser ("**Assets Under Review**") that do not require any research on the part of SFG, including SFG's responses to an SFG client's investment advisory questions of narrow scope or SFG's limited investment analysis or allocation recommendations, or (iii) the evaluation of Assets Under Review for the informational purpose of gaining a more comprehensive perspective of an SFG client's financial situation.

Financial planning services that are not incidental services are provided pursuant to a financial planning services agreement (which may be in the form of an appendix to the Investment Advisory Agreement) ("**Financial Planning Agreement**") and may be subject to a fee in addition to the fee paid for Investment Management Services or Advisement Services. These financial planning services may involve consultation, comprehensive or issue-based analysis or recommendations in any of the six areas of financial planning - 1) financial planning, 2) tax planning, 3) insurance analysis, 4) investment analysis, 5) retirement planning, or 6) estate planning. The scope of SFG's financial planning services also extends to additional areas, such as divorce planning or business planning. SFG also may provide financial data aggregation services. Upon SFG's engagement by an SFG client to prepare a financial plan pursuant to a Financial Planning Agreement, SFG will review the portion of the present financial situation of such SFG client relevant to the engagement and, based on the stated objectives and needs of such SFG client, provide a written report containing an analysis and recommendations.

SFG will not undertake, and will not be responsible for undertaking the implementation of any recommendations made by SFG in connection with its financial planning services, unless engaged and expressly instructed to do so by an SFG client.

SFG makes available to SFG clients a subscription ("*Subscription*") to a third-party web-based wealth management financial information service ("*Wealth Management Service*") that provides a real-time, on-demand, interactive financial experience through a Client accessible portal ("*Wealth Management Portal*"). The Wealth Management Service includes Automatic Account Information Aggregation Service, Additional Manually Entered Information, Simplified Budgeting, Efficiencies, Reports, Collaboration, Online Vault and Mobile Access. The powerful interactive financial planning tools of the Wealth Management Service allow SFG clients with a Subscription to access up-to-date information with respect to many of their financial investments and to generate multiple reports, some providing historical information and others projections. SFG clients that use the Wealth Management Service experience many benefits, including substantial savings of time from not needing to manually update lots of information and the simplification of understanding large quantities of interrelated data thanks to the logical arrangement and visually appealing presentation of such data in the form of reports. For example, the Wealth Management Service is able to create helpful projections of the long term value of Assets Under Management, Assets Under Advisement or Assets Under Review by applying assumptions with respect to inflation, earning rates and tax rates.

(6) Retirement Plan Consulting Services

SFG offers retirement plan consulting services to various types of retirement plans, which may include profit sharing plans, employee stock ownership plans, 401(k) plans and others. Collectively, SFG considers these types of plans as a specific segment of SFG clients and refers to these types of SFG client as "SFG retirement plan clients".

SFG gathers and review extensive information regarding each SFG retirement plan client on an individualized basis, including the objectives and needs of each SFG retirement plan client. SFG's retirement plan consulting services generally include plan feasibility, plan design, and/or plan review.

The scope of SFG's retirement plan consulting services can be narrow or broad, depending on the terms of the specific engagement of SFG pursuant to the applicable SFG retirement plan Investment Advisory Agreement. The following describes some of the services that SFG is able to offer as part of its retirement plan consulting services.

- **Preparation of Investment Policy Statement ("IPS")**

  SFG may meet with an SFG retirement plan client to determine the relevant plan's investment needs and goals. If required by the SFG retirement plan client, SFG will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of the plan's investment options/vehicles and the procedures and timing interval for monitoring of investment performance.

- **Recommendation of Investment Options**

  SFG will review various investments, consisting predominantly of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the IPS of the SFG retirement plan client. Upon the completion of SFG's review process, SFG will recommend to the SFG retirement plan client a specific number and type of investment options for inclusion in the plan's investment options.

- **Monitoring of Investment Performance**

  A plan's investment options will be monitored continuously based on the procedures and timing intervals delineated in the IPS or as otherwise set forth by the SFG retirement plan client. SFG will supervise the plan portfolio and will make recommendations to the SFG retirement plan client as market factors and the plan's needs dictate.

- **Plan Performance Reporting**

In conjunction with SFG's monitoring activities, SFG may also provide periodic reports regarding the performance of a pension plan and its underlying investment options. Such reports may include analysis from both SFG as well as outside parties engaged by SFG to provide additional analysis in regard to such plans. Such outside parties would be engaged exclusively by SFG and not by an SFG retirement plan client.

- **Employee Communications**

  For SFG retirement plan clients whose plans offer plan participants the ability to self-direct their own investments, SFG may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by SFG in conjunction with the SFG retirement plan client under the appropriate ERISA guidelines. The educational support and investment workshops will not be designed so as to provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

- **Advice to Participants**

  Unless separately engaged to do so by a plan participant, SFG will not provide individualized advice to such plan participant, monitor a plan participant's situation or otherwise supervise or consult on the ongoing management of a participant's assets within the plan or otherwise. Upon a plan participant's separate engagement of SFG as his or her investment adviser, SFG will provide individualized advice to such plan participant per the terms of the applicable financial planning or investment advisory agreement.

- **Co-Fiduciary Relationship**

  For certain plans that are subject to the Employee Retirement Income Security Act of 1974 ("**ERISA**"), SFG will act as a 'fiduciary' as defined in ERISA.

IV(C) Client Tailored Services and Client-Imposed Restrictions

SFG endeavors to tailor its advisory services to meet the specific needs of each and every SFG client. In order to determine a suitable course of action for an individual SFG client, SFG performs a review of such SFG client's financial circumstances and other factors that may influence the investment recommendations SFG may make to such SFG client from time to time. Such review may include, but would not necessarily be limited to, investment objectives, consideration of an SFG client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to an SFG client's particular circumstances.

In making investment recommendations to SFG clients, SFG relies on data gathering documents or questionnaires completed by SFG clients or completed by SFG based on information provided by SFG clients, as well as other documentation received from SFG clients.

In certain instances, SFG clients may impose restrictions or other conditions with regard to how SFG provides its advisory services. If SFG agrees to such restrictions and/or conditions, those restrictions and /or conditions that SFG clients impose on SFG's investment management functions may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and SFG clients should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to such SFG clients.

IV(D) Wrap Fee Programs

SFG's investment advisory services do not involve the use of wrap programs.

IV(E) SFG Clients Regulatory Assets Under Management ("AUM") [1]

AUM (discretionary):	$ 654,800,000
AUM (non-discretionary):	$ 77,600,000
Total AUM:	$ 732,500,000
Date of AUM calculation:	May 31, 2020

IV(F) SFG Clients Assets Under Advisement ("AUA")

SFG also provides investment analysis services with respect to $34,060,000 of AUA (value as of May 31, 2020).

IV(G) Miscellaneous

(1) Electronic Delivery of Documents

SFG's preferred approach is to communicate information to SFG clients electronically through access to SFG's internet based client portal, as this procedure generally is deemed more secure than communicating by means of email. This may include an SFG client's quarter annual invoice detailing the calculation of fees, any notices, and other communications or disclosures, including SFG's annual offer of the Form ADV Part 2A and 2B (SFG's Brochure and Brochure Supplement). SFG clients must provide a valid email address and register with SFG's internet based client portal for this purpose.

(2) ERISA / IRC Fiduciary Acknowledgment

If an SFG client is: (i) a retirement plan ("**Plan**") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an Individual Retirement Account ("**IRA**") acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then SFG represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by SFG or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

(3) Retirement Plan Rollovers – No Obligation/Potential for Conflict of Interest

An SFG client or prospective SFG client leaving an employer typically has four options regarding an existing retirement plan (and can engage in a combination of these options):

i) leave the money in his former employer's plan, if permitted,
ii) roll over the assets to his new employer's plan, if one is available and rollovers are permitted,
iii) rollover to an IRA, or
iv) cash out the account value (which could, depending upon the SFG client's age, result in adverse tax consequences).

If SFG recommends that an SFG client roll over such SFG client's retirement plan assets into an account to be managed by SFG, such a recommendation creates a conflict of interest if SFG will earn an advisory fee on the rolled over assets.

[1] AUM have been calculated (and both AUM and AUA have been rounded to the nearest $100,000) in accordance with the Instructions for Part 2A of Form ADV.

In contrast, a recommendation that an SFG client or prospective SFG client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to SFG (unless the account maintained at the employer is an Asset Under Advisement with respect to which SFG provides investment analysis and recommendation services). SFG has an economic incentive to encourage an investor to roll plan assets into an IRA that SFG will manage or to engage SFG to provide investment analysis and recommendation services with respect to an Assets Under Advisement account maintained at such investor's employer. There are various factors that SFG considers before recommending a rollover, including but not limited to:

i) the investment options available in the plan versus the investment options available in an IRA,
ii) fees and expenses in the plan versus the fees and expenses in an IRA,
iii) the services and responsiveness of the plan's investment professionals versus SFG,
iv) protection of assets from creditors and legal judgments, required minimum distributions, beneficiary options, and age considerations, and
vi) employer stock tax consequences, if any.

To the extent that SFG recommends that SFG clients roll over assets from their retirement plans to IRAs managed by SFG, SFG represents that it and its investment adviser representatives are fiduciaries under ERISA, or the Internal Revenue Code, or both.

No SFG client is under any obligation to rollover retirement plan assets to an account managed by SFG. SFG's Chief Compliance Officer, Markus R.F. Sleuwen, JD, remains available to address any questions that an SFG client or prospective SFG client may have regarding the potential for a conflict of interest presented by such rollover recommendation.

(4) ByAllAccounts

SFG, in conjunction with the services provided by ByAllAccounts, Inc., provides periodic reporting services with respect to investment assets of an SFG client other than Assets Under Management, including Assets Under Advisement.

(5) Use of Mutual Funds (including Interval Funds)

Most mutual funds are available directly to the public. Thus, a prospective or existing SFG client can invest in many of the mutual funds that are recommended and/or utilized by SFG without the assistance of SFG. If a prospective or existing SFG client chooses to do so, those investments will not be Assets Under Management and, unless SFG and such prospective or existing SFG client expressly agree that such investments are Assets Under Advisement, those investments also will not be Assets Under Advisement. Only Assets Under Management and Assets Under Advisement are subject to SFG's Investment Management Services and Advisement Services, respectively.

In addition to these publicly available mutual funds, Assets Under Management may include (i) institutional level classes of mutual funds, which are not normally available to the retail consumer and generally only available through registered investment advisers, and (ii) other funds, including interval funds, which may only be available through certain advisers or custodians. Thus, if an SFG client terminates SFG's services, restrictions regarding transferability and/or additional purchases of, or reallocation among, certain funds or interval funds, may apply.

Institutional level classes of some mutual funds may charge lower internal expenses than similar retail classes of such funds.

(6) Electronic Confirmations / Account Statements

Certain custodians offer reduced transaction fee charges on certain types of transactions to clients who elect to receive trade confirmations and account statements electronically rather than by regular mail. SFG clients are advised to communicate to SFG their preferences regarding the method of custodian information delivery to minimize transaction fee charges.

Item V. Fees and Compensation

V(A) Methods of Compensation and Fee Schedule

(1) Adviser Fee for Investment Management Services and Advisement Services

SFG's fee for ongoing Investment Management Services and Advisement Services to a particular SFG client ("**Adviser Fee**") is calculated as follows. Relevant details relating to the calculation of the Adviser Fee are set forth in a fee schedule appendix to the Investment Advisory Agreement ("**Fee Schedule**"). The Adviser Fee applicable to any SFG client is subject to change upon SFG's written notice thereof to such SFG client.

(a) Percentage Based Adviser Fee

(i) Declining Marginal Percentages Base Adviser Fee plus Strategies Group Adviser Fee

Certain new SFG clients are billed an Adviser Fee, subject to any applicable minimum, that is the sum of a Base Adviser Fee with respect to Assets Under Management and, if applicable, Assets Under Advisement, plus a Strategies Group Adviser Fee with respect to Assets Under Management.

> The declining marginal percentages applicable to the Base Adviser Fee range from 0.25% to 1.0% of billable Assets per year.
>
> The percentages applicable to each Strategies Group Adviser Fee range from 0.25% to 0.50% of billable Assets per year.
>
> The sum of the Base Adviser Fee plus Strategies Group Adviser Fee ranges from 0.50% to 1.50% of billable Assets per year.

Base Adviser Fee Formula:

Value of all billable accounts per marginal value range x 1/4 of applicable declining marginal annual fee percentage (subject to cash flow adjustment when cash flows and balances download electronically)

Base Adviser Description:

> SFG's percentage based Base Adviser Fee with respect to each quarterly period is payable in advance and is equal to (i) the product of each portion of the aggregate value of all billable accounts that falls within one of the marginal value ranges of the Base Adviser Fee Schedule (as of the last day of the preceding Period) times one quarter of the declining marginal annual fee percentage corresponding to such portion according to such schedule ("**Fee Percentage**"), and (ii) the product of each positive or negative value of any cash flow during the preceding quarterly period into or out of any billable account, respectively, times one quarter of the applicable declining marginal annual fee percentage of such schedule (proration being applied based on the timing of each cash flow).
>
> If cash flows or balances with respect to any billable account do not download electronically into SFG's integrated investment portfolio management application, the preceding paragraph does not apply. Instead, SFG's percentage based Base Adviser Fee with respect to each quarterly period, payable in

advance, is equal to the product of the latest value of such billable account, as stated on the last statement received by Adviser from Client or any third party custodian with respect to such billable account or as downloaded electronically, times one quarter of the applicable declining marginal annual fee percentage of such Base Adviser Fee Schedule.

Strategies Group Adviser Fee Formula:

Value of all billable accounts per Strategies Group x 1/4 of applicable annual fee percentage (subject to cash flow adjustment when cash flows and balances download electronically)

Strategies Group Adviser Fee Description:

SFG's percentage based Base Adviser Fee with respect to each quarterly period is payable in advance and is equal to the sum of (i), with respect to all billable accounts that are in the same Strategies Group, the product of the value of such accounts times one quarter of the annual fee percentage of the Strategies Group Fee Schedule corresponding to such Strategies Group, plus (ii) the product of each positive or negative value of any cash flow during the preceding period into or out of any billable account, times one quarter of the annual fee percentage of such schedule corresponding to the Strategies Group applicable to such billable account (proration being applied based on the timing of each cash flow).

(ii) Flat Percentage Adviser Fee

Certain new SFG clients are billed an Adviser Fee, subject to any applicable minimum, that is based on a flat percentage with respect to all of their Assets Under Management and, if applicable, Assets Under Advisement. These SFG clients are not billed a separate Strategies Group Adviser Fee with respect to any Assets Under Management that they may have in any Strategies Group.

The percentages applicable to the Flat Percentage Adviser Fee (except for retirement plans) range from 0.50% to 2.00% of applicable Assets per year. (For retirement plan consulting, please refer to the section in Item V(A)(1) relating to Fees for Retirement Plan Consulting Services.)

Adviser Fee Formula:

Value of all billable accounts x 1/4 of applicable flat percentage
(subject to cash flow adjustment when cash flows and balances download electronically)

Adviser Fee Description:

SFG's percentage based Adviser Fee with respect to each quarterly period, payable in advance, is equal to the sum of (i) the product of the aggregate value of all billable accounts times one quarter of the annual flat percentage of the Flat Percentage Adviser Fee Schedule, plus (ii) the product of each positive or negative value of any cash flow during the preceding period into or out of any billable account that is in a Strategies Group, respectively (in each case, for each Strategies Group), times one quarter of the annual flat percentage of such schedule (proration being applied based on the timing of each cash flow).

If cash flows or balances with respect to any billable account do not download electronically into SFG's integrated investment portfolio management application, notwithstanding the preceding paragraph, SFG's percentage based Adviser Fee applicable to such billable account with respect to each quarterly period, payable in advance, is equal to the product of the value of such billable account, as stated on the last statement received by Adviser from Client or any third party custodian with respect to such billable account or as downloaded electronically, times one quarter of the annual flat percentage.

(b) Negotiated Dollar Fixed Adviser Fee

Certain new SFG clients are billed a fixed fee Adviser Fee. The amount of the fixed fee Adviser Fee is subject to negotiation and agreement between SFG and each applicable SFG client.

(c) Other Adviser Fee Types

Certain new SFG clients may be billed an Adviser Fee that is a combination of two or more of the Adviser Fees described above. For example, the sum of (i) a fixed fee Adviser Fee plus (ii) a Strategies Group Adviser Fee on the value of billable Assets Under Management.

(d) General Adviser Fee Related Terms

Generally, any Adviser Fee payable by an SFG client to SFG will, upon a qualified custodian's receipt of a payment request therefor from SFG, be deducted by such qualified custodian from one or more accounts of such SFG client at such qualified custodian and paid by such qualified custodian to SFG. This qualified custodian deduction and payment procedure is expressly authorized in the Investment Advisory Agreement. Often, this qualified custodian deduction and payment procedure also is subject to a separate signed authorization or instruction from an SFG client to a qualified custodian. An SFG client's authorized qualified custodian deduction and payment procedure remains valid until SFG and/or the applicable qualified custodian receives a written revocation of such authorization from such SFG client. Each SFG client with an account at a qualified custodian can expect to receive from such qualified custodian, at least quarterly, a statement indicating the amounts disbursed from any such account and any Adviser Fee paid from any such account.

In certain situations, at SFG's sole discretion, the Adviser Fee payable by an SFG client to SFG that is calculated with respect to certain Assets Under Management held at one custodian may be deducted from Assets Under Management held at another custodian. Also, in exceptional circumstances, subject to SFG's express advance written consent, the Adviser Fee may be paid to SFG directly by such SFG client instead of by a qualified custodian through a deduction from Assets Under Management.

The Adviser Fee generally will be invoiced by the fifth business day of the month following the most recently ended billing period. If any Adviser Fee applicable to an SFG client is not paid by a qualified custodian upon a qualified custodian's receipt of a payment request therefor from SFG, such SFG client is obligated to make payment of the Adviser Fee promptly upon such SFG client's receipt of a written invoice therefor. If payment of the Adviser Fee is set up via credit card, the Adviser Fee generally will be charged on or before the 15th of the month following the most recently ended billing period.

The Investment Advisory Agreement may be terminated at any time upon written notice by either party to the other. Each SFG client will incur a pro rata charge for investment management services or investment analysis services rendered prior to the termination of the Investment Advisory Agreement, which means SFG clients will incur an Adviser Fee only in proportion to the number of days in the billing period for which SFG clients are clients of SFG. If an Adviser Fee is paid by an SFG client to SFG in advance with respect to a particular period and the effective time of termination of the Investment Advisory Agreement is prior to the expiration of such period, such SFG client will receive a pro-rated refund of such Adviser Fee based on the days in such period from the effective time of termination of the Investment Advisory Agreement through the expiration of such period. Refunds of Adviser Fees pursuant to the preceding sentence are paid by SFG as soon as reasonably possible but not sooner than ten (10) business days after the receipt of the notice of termination of the Investment Advisory Agreement by the non-terminating party.

(2) Fees for Financial Planning for SFG Clients with or without Assets Under Management or Assets Under Advisement

The financial planning services provided by SFG to an SFG client pursuant to a Financial Planning Agreement may be subject to such SFG client's payment of a financial planning fee ("**Financial Planning Fee**"). The Financial Planning Fee is set by SFG based on the size, scope, and nature of each individual project, is determined prior to the commencement of the engagement and is expressly stated in the Financial Planning Agreement.

The Financial Planning Agreement also states the list fee for the financial planning services provided thereunder. Such list fee ranges from $1,500 to $10,000. The Financial Planning Fee may be lower than the list fee.

The Financial Planning Fee is billed either in full, in advance, or 50% in advance and 50% upon completion of the financial planning services. The engagement to provide financial planning services to an SFG client will end at the time of SFG's completion and delivery of the financial planning services. If completion of the project is delayed (beyond 90 days) because requested information has not been provided, SFG retains the right to progress bill for work that has been performed to date and is not covered by the portion of the Financial Planning Fee already received. If, upon termination of the financial planning services engagement, the Financial Planning Agreement requires the payment of a refund, SFG will refund to SFG client, as soon as reasonably possible, such portion of the Financial Planning Fee which SFG determines is reasonable in light of the time dedicated by SFG to administrative, financial planning or investment advisory tasks in connection with the provision of the financial planning services through the effective date of termination of the engagement.

(3) Subscription Fees

SFG clients that subscribe to the Wealth Management Service may be charged an annual subscription fee up to $1,800.

(4) Fees for Retirement Plan Consulting Services

Fees for retirement plan consulting, investment advisory, fiduciary, and participant education services generally are calculated based on the value of the plan assets and a specific annualized percentage factor. The specific annualized percentage factor applicable to the Adviser Fees for retirement plan consulting services and the length of the applicable billing period is as set forth in the applicable SFG retirement plan Investment Advisory Agreement. The Adviser Fees for retirement plan consulting services may be calculated and deducted from Assets, in arrears or in advance, on a calendar year quarterly or annual basis.

The percentages applicable to Retirement Plan Consulting Services for new SFG clients range from 0.10% to 1.00% (subject to V(A)(a)(5) below) of applicable Assets in the retirement plan per year (with respect to certain retirement plans, including solo 401 (k), the maximum annual percentage may be as high as 1.5%).

Minimum Adviser Fee for Retirement Plan Consulting Services: $2,000 per year

The annualized percentage factor or the minimum applicable to the Adviser Fee for retirement plan consulting services is negotiable, in SFG's sole discretion. In exceptional circumstances, at SFG's sole discretion, the Adviser Fee for retirement plan consulting services may be a negotiated fixed dollar amount.

If the Adviser Fee for retirement plan consulting services applicable to an SFG client is not paid by a qualified custodian or third party administrator upon a qualified custodian or third party administrator's receipt of a payment request therefor from SFG, such SFG client is obligated to make payment of the fees for retirement plan consulting services promptly upon such SFG client's receipt of a written invoice therefor.

(5) Fee Minimums

New SFG clients may be subject to Adviser Fee minimums. The Adviser Fee minimums typically range from $500 to $20,000 per year. In certain cases, based on the nature and complexity of any new SFG client situation, Adviser

Fee minimum may exceed the upper limit of the above range. Some existing SFG clients are subject to grandfathered Adviser Fee schedules without Adviser Fee minimums or with different Adviser Fee minimums than those set forth above. SFG retains the right to waive or reduce any Adviser Fee minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with SFG client, etc.).

Adviser Fee minimums or negotiated fixed dollar Adviser Fee amounts may cause the average Adviser Fee percentage applicable to billable Assets to exceed the upper limit of the Adviser Fee percentage ranges set forth in Item V(A).

(6) Fee Differentials

SFG prices its services based upon objective and subjective factors, including the market value of the assets, the complexity of the engagement, and the level and scope of the overall services to be rendered. Also, Assets Under Management and/or Assets Under Advisement may be grouped by household or family for the purposes of calculating the Adviser Fee or applying Adviser Fee minimums. The Adviser Fee payable by any particular SFG client is negotiable at SFG's sole discretion. Investment advisory services may be available from other investment advisers at lower fees than the Adviser Fee applicable to a particular SFG client.

(7) Grandfathered Fee Schedules

Many SFG clients have and will continue to be grandfathered under fee schedules and/or agreements that existed at the time of SFG's engagement by such SFG clients. SFG has grown, and expects to continue to grow, by acquisition of other advisory firms or hiring investment adviser representatives throughout the United States. Clients of the acquired firms or such hired investment adviser representatives could have fee schedules or other fee arrangements that differ from those described in Item V(A) of this Brochure. Upon SFG's acquisition of an investment advisory firm or the hiring of investment adviser representatives, the SFG clients that formerly were clients of such acquired firm or were serviced already by such hired investment adviser representative will sometimes maintain their pre-existing fee schedule subsequent to any such SFG acquisition or hiring.

In some instances, the grandfathered fee schedule and/or agreement of an SFG client may be changed at the beginning or during the investment advisory relationship with SFG to a fee schedule or agreement other than the fee schedule or agreement set forth in Item V(A) of this Brochure. As a result, SFG clients are subject to various different fee schedules and/or arrangements, with Adviser Fees that may be higher or lower than the Adviser Fee ranges for new SFG clients set forth in Item V(A) of this Brochure. For example, instead of the fee schedules set forth in Item V(A) of this Brochure, the Adviser Fee (i) may be computed fully in arrears, (ii) may be on a periodic basis other than quarter annual, (iii) may be subject to minimums different than those set forth in Item V(A) above, or (iv) may be higher than the upper limit of the ranges set forth in Item V(A) for new SFG clients. Any grandfathered fee schedule and/or arrangement applicable to an SFG client is set forth in the applicable Investment Advisory Agreement. Contact SFG's Chief Compliance Officer, Markus R.F. Sleuwen, JD if you have any questions.

V(B) Client Payment of Fees

Refer above to Item V(A)(1)(d).

V(C) Additional Client Fees Charged.

Fee of Exchange-Traded funds, Mutual funds, Other Investment Vehicles, Broker-Dealers, and Custodians

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, other investment vehicles, broker-dealers or custodians. Such fees and expenses are described in each exchange-traded fund or mutual fund's prospectuses, in agreements or disclosures relating to other investment vehicles, or in applications, agreements or terms and conditions of any broker-dealer or custodian retained by an SFG client. SFG clients are advised to read those materials carefully before investing. If a mutual fund also imposes sales charges, an SFG client could pay an initial or deferred sales charge as further described in the mutual fund's prospectus. An SFG client could be precluded from using certain mutual funds or separate account managers if they are not offered by the SFG client's custodian.

SFG does not share in any portion of fees and expenses charged to an SFG client by exchange-traded funds, mutual funds, other investment vehicles, broker-dealers or custodians. Refer below to Item XII for additional information regarding broker-dealers or custodians.

Fees for Other Investment Adviser or Sub-Advisors

Assets Under Management may be managed by an investment adviser or by a sub-advisor. The services provided by such other investment adviser or sub-advisors are subject to a fee separate and in addition to the Base Adviser Fee.

In certain instances, SFG may recommend or select investment advisers or sub-advisors to provide specific investment management services related to the accounts of an SFG client. SFG clients should review the outside advisors' ADV Part 2A for a full description of such outside advisor's specific services and additional fees.

The fees of investment advisers or sub-advisors may be deducted from one or more accounts of such SFG client at such qualified custodian and paid to the applicable person. This deduction and payment procedure by the qualified custodian may be expressly authorized in the Investment Advisory Agreement. Often, this qualified custodian deduction and payment procedure also is subject to a separate signed authorization or instruction from an SFG client to a qualified custodian. An SFG client's authorized qualified custodian deduction and payment procedure remains valid until SFG and/or the applicable qualified custodian receives a written revocation of such authorization from such SFG client. Each SFG client with an account at a qualified custodian can expect to receive from such qualified custodian, at least quarterly, a statement indicating the amounts disbursed from any such account and any fee or charge paid from any such account.

V(D) Prepayment of Client Fees

Refer above to Item V(A)(1)(A) and below to Item XVIII(A).

V(E) External Compensation for the Sale of Securities to Clients

SFG investment adviser representatives are compensated solely through a salary and bonus structure. SFG financial advisors are not paid any sales, service, or administrative fees for the sale of mutual funds or any other investment products with respect to managed advisory assets.

Item VI. Performance-Based Fees and Side-By-Side Management

SFG does not charge performance-based fees and therefore has no economic incentive to manage SFG clients' portfolios in any way other than what is in their best interests.

Item VII. Types of Clients

SFG will generally provide SFG's services to the following types of SFG clients.

- Individuals

- High net worth individuals
- Pension plans / profit sharing plans
- Foundations / endowments / charitable organizations
- Trusts for natural persons
- Estates for natural persons
- Business or corporate entities

Although SFG provides investment services to the various types of SFG clients mentioned, the asset management services are conditioned upon meeting certain minimum criteria established by SFG for each of the investment programs it offers.

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions SFG may impose, please refer to Item IV(B).

Item VIII. Methods of Analysis, Investment Strategies and Risk of Loss

VIII(A) Methods of Analysis and Investment Strategies

SFG's investment committee is responsible for identifying and implementing the methods of analysis used by SFG in formulating investment strategies and portfolios. In general, SFG takes a structured, long-term approach to investing that is based on Modern Portfolio Theory.

SFG uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that SFG clients should be prepared to bear. SFG and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to SFG clients. The methods of analysis usually include quantitative methods for optimizing SFG client portfolios, computer-based risk/return analysis, and statistical and/or computer models utilizing long-term economic criteria.

In addition, SFG performs qualitative research and reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. SFG employees outside vendors or utilize third-party software, as needed, to assist in formulating investment recommendations to SFG clients.

(1) Methods of Analysis

SFG and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to SFG clients. SFG employs the following methods of analysis. Each method of analysis below identifies certain related risks. Each key risk is described in Item VIII(B).

- **Rings of Risk™**

  Rings of Risk™ is a proprietary model to visualize the risk to reward trade-offs that investors face. Different instruments have different inherent risks associated with them. SFG has developed a visual aid to illustrate relative risk in the market place and help in decision making to allocate risk within SFG's investors' portfolios. The Rings of Risk™ help SFG to visualize where it is on the risk curve at any moment in time. SFG may adjust allocations towards riskier securities in a situation where the world macro environment looks positive, and towards less risky securities when it looks negative. A third concept SFG visualizes is 'risk to reward'. Most all investors would prefer to take on as little risk possible for the greatest amount of reward. In this case, risk can be viewed as losing money. There should be a relationship between the amounts of risk an investor is taking and the amount of reward garnered from that risk. Finally, SFG's analysis also helps SFG to identify investment opportunities. In general, the expectation is that higher risk investments should have a higher return than lower risk investments. So, when actual returns do not meet expectations, this may represent an opportunity. Determining the right allocation strategy is a complex process which has many factors impacting the outcome, but with the right tools, such as the Rings of Risk™, SFG makes that process clearer for SFG clients.

- **Charting / Technical / Historical**

  The terms "charting" and "technical" and "historical" analysis are generally used synonymously and therefore, for the purpose of this document, SFG will use the term, "technical analysis." In most cases, technical analysis involves the evaluation of historical market data such as price and volume statistics of a particular security or investment instrument, performance data or earnings data. Technical analysis often involves the use of charts, graphs, other tools to evaluate historical factors relating to the investment instrument and perhaps the performance of the instrument relative to the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

  Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

- **Fundamental**

  Fundamental analysis is generally considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. For example, revenues, earnings, future growth, return on equity, profit margins, standard deviation, price to earnings and other data relating to a company's underlying value and potential for growth. Other examples include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Fundamental analysis also can include company/issuer-specific factors such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters or the overall type and volume of current and expected business.

  One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

  Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

- **Cyclical**

  Cyclical analysis involves the evaluation of an investment instrument or perhaps its issuer for the purpose of identifying whether (and if so, to what extent) it/they may be impacted by fluctuations in the overall economic conditions throughout time. As an example, as more and more people lose their jobs, broad industries like housing or the automotive industries can be negatively impacted because consumers are less able to purchase things like homes and automobiles.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

(2) Individual Fixed Income Research

SFG maintains criteria regarding the maturity, quality, ability to call, discount/premium and taxation of individual fixed income investments it will acquire for SFG clients. Fixed instruments used by SFG are reviewed for consistency with quality and maturity policies. In determining credit quality of a fixed income issue, SFG relies primarily on the ratings assigned to the issue by one or more ratings agencies, supplemented from time to time by such additional research as it deems necessary.

(3) Material Risks of Investment Instruments

There is no single type of investment instrument that SFG predominantly recommends. All investments carry some form and degree of risk, including risk of loss, and SFG clients must be willing to bear such risks. Certain types of investments carry greater types and levels of risk than others and SFG clients should make sure that SFG clients fully understand not only the investment type itself but also the attendant risk factors associated with such type.

- **Equity Securities**

  Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, the company's ability to create shareholder value (i.e., increase the value of the company's stock price), exposure to government taxation, and domestic political risk. International securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk, and liquidity risk.

- **Mutual fund securities (open end)**

  Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

- **Closed-end funds**

  The major risks of a closed end fund relate to general market risk, the underlying securities in the fund portfolio, future expectations of the performance of those underlying securities, the degree to which leverage is utilized, quality of the issuer's management, the issuer's ability to meet its contractual and operating obligations, and the overall credit risk of the issuer.

- **Interval Fund**

  An interval fund will make periodic repurchase offers to its shareholders, generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report. As a result, such funds have liquidity constraints which may not be appropriate for all investors.

- **Exchange traded funds (ETFs)**

  Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

- **US Government Securities**

  U.S. government securities may be supported by the full faith and credit of the United States.

- **Municipal Securities**

  Municipal securities carry different risks than those of corporate government and bank sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level, but can be taxable in individual states other than the state in which both the investor and municipal issuer are domiciled.

- **Warrants and Rights**

  Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors, and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes valueless.

- **Fixed Income Instruments (Corporate or governmental debt instruments, Commercial paper, Certificates of deposit)**

  Fixed income securities, including taxable and tax-exempt bonds, carry different risks than those of equity securities described above. These risks include the company's or the government's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints and changes, jurisdictional risk (U.S or foreign), and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

  Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the SFG client needs to convert the certificate of deposit to cash prior to maturity.

- **Alternative Investments**

  Alternative investments enhance overall diversification and can provide limited protection from unexpected inflation. Alternative asset classes generally have risk and return characteristics that are a hybrid of equity and fixed income characteristics. Investments in alternative asset classes (whether direct or indirect through underlying funds selected by SFG) may be in a broad range of equities of any market capitalization, including large-, mid- and small-cap; and/or a broad range of fixed income securities of any credit quality or maturity, including U.S. Government and agency securities, municipal securities, corporate debt, and debt of foreign issuers including those located in emerging markets. Underlying funds may also invest in real estate, real estate investment trusts (REITs), commodities-related assets, high yield debt securities, 144a (private placement) debt, and they may engage in leveraged or derivative transactions, such as futures, options, swaps, and insurance-linked securities. SFG has no control over the investment strategies, policies or decisions of the investment managers of such investments in alternative asset classes or underlying funds. SFG's only option would be to liquidate SFG clients' investments in an alternative asset class or an underlying fund in the event of dissatisfaction with the investment manager.

MLP's risks include governance features that can favor management over other investors, potential conflicts of interest, and concentrated exposure to a single industry or commodity. Since most MLPs are clustered in the energy sector, they can therefore be sensitive to shifts in oil and gas prices.

Private placements can be very risky and any investment may be difficult, if not virtually impossible to sell.

(4) Investment Strategies

SFG's investment strategies are designed by SFG's investment committee. All of SFG's investment strategies are organized into three Strategies Groups: Focus Strategies (buy and hold long-term asset allocation strategies that seek returns through relatively static allocations to major assets, rebalancing overall asset allocations of each strategy from time to time, within applicable overall constraints, to take advantage of opportunities that SFG identifies), Advantage Strategies (active portfolio management based strategies that tactically and proactively allocate assets, within defined constraints and an SFG client's risk profile, to asset classes that are deemed attractive, relative to other asset classes, based upon cyclical trends and statistical analysis of the markets using SFG's Rings of Risk®) and Institutional Strategies (customized investment strategies designed to address specific investment objectives, or needs, including all stocks, all bonds or combinations of Focus Strategies and Advantage Strategies). Assets Under Management of SFG's clients are allocated based on the investment objectives, risk tolerances, and personal stated objectives and needs of such SFG client and may be allocated to (i) one or more strategies within one of the three groups of strategies or (ii) multiple strategies that are not all in the same group of strategies.

SFG's investment strategies use diverse methods to trade in the securities that comprise the SFG clients' Assets Under Management. Below is a list of some of them, including related risks.

- **Long-Term Purchases**

  Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Short-Term Purchases**

  Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Trading**

Trading generally involve the acquisition of an investment instrument and holding it for a period of at not more than thirty days.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Short Sales**

  Selling short involves the sale of an investment instrument that SFG clients do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the shore sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Margin Trading**

  Margin trading, or "trading on margin," as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds that SFG clients have available for the purchase. Essentially, trading on margin means that SFG clients can borrow additional funds, generally from SFG that holds the brokerage account of SFG clients, to purchase investment instruments that exceed the amount with which SFG clients have funded their account.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Option Writing** (including covered/uncovered options or spreading strategies)

  SFG will also employ the use of options trading in the event that such trading complements an investment strategy SFG may be carrying out for a particular SFG client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the "exercise price") by exercising the option before its specified expiration date. Options giving SFG clients the right to buy are called "call" options. Options giving SFG clients the right to sell are called "put" options. When trading options on behalf of an SFG client, SFG may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when SFG clients own the underlying instrument on which the option is based. Uncovered options involve options trading when SFG clients do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

VIII(B) Additional Methods of Analysis and Material Risks

Key Risks:

Below is a list of certain key risks applicable in the context of investments.

- **Capital Risk**

  Capital risk is one of the most basic, fundamental risks of investing; it is the risk that SFG clients may lose 100 percent of their money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

- **Credit Risk**

  Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

- **Currency Risk**

  Fluctuations in the value of the currency in which SFG clients' investment is denominated may affect the value of their investment and thus, their investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment SFG clients own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, German mark, Euro, Japanese yen, French franc, etc.).

- **Economic Risk**

  The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

- **Financial Risk**

  Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

- **Higher Trading Costs**

  For any investment instrument or strategy that involves active or frequent trading, SFG clients may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

- **Inflation Risk**

Inflation risk involves the concern that in the future, SFG clients' investment or proceeds from their investment will have less relative purchasing power. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get SFG clients less than what it can today.

- **Interest Rate Risk**

  Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

- **Legal/Regulatory Risk**

  Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

- **Liquidity Risk**

  Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, SFG clients may experience the risk that SFG clients' investment or assets within their investment may not be able to be liquidated quickly, thus, extending the period of time by which they may receive the proceeds from their investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

- **Market Risk**

  The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

- **Operational Risk**

  Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

- **Past Performance**

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

- **Strategy Risk**

  There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

VIII(C) Concentration Risks

Concentrated Positions:

SFG clients who choose to have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, or one type of investment instrument (equities versus fixed income) will expose themselves and their portfolios to greater risk of loss and higher volatility. SFG clients who have diversified portfolios, as a general rule, experience less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings offer the potential for higher gain, but also offer the potential for significant loss.

Item IX. Disciplinary Information

The purpose of this item is for SFG to disclose to SFG clients (or prospective SFG clients) any legal, disciplinary, or other events that they may consider material in their evaluation of SFG or the integrity of SFG's management.

Criminal or Civil Actions

There is nothing to report on this item.

Administrative Enforcement Proceedings

There is nothing to report on this item.

Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item X. Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that SFG clients (or prospective SFG clients) need to know about for the purpose of identifying any related conflicts of interest that they might consider material in regard to letting SFG handle their investment advisory needs.

X(A) Broker-Dealer or Representative Registration

None of SFG or its management persons is registered as a broker-dealer or have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer.

X(B) Futures or Commodity Registration

Except as set forth below, neither SFG nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Bradley J. Rathe is the sole member of Astor Janssen Holdings, LLC which is a commodity pool operator and a commodity trading advisor.

X(C) Material Relationships Maintained by this Advisory Business and Conflicts of Interest

The purpose of this section is to address any relationship or arrangement (that is material to (1) SFG's advisory business or (2) SFG clients) that SFG or any of SFG's management persons have with any of SFG's related persons that meet certain categories as identified by the Form ADV. Those categories are listed below and in the event that SFG has a related person that is included in one of those categories, SFG will address not only the relationship or arrangement that is material to SFG's advisory business or SFG clients but also any conflict(s) arising out of this relationship/arrangement and how SFG addresses such conflict(s).

(1) Accountant or accounting firm

Related Person: **Deborah Sarkey**, a senior officer of SFG, is a managing member and majority owner of **StrategIQ Tax and Business® Services, LLC**, a limited liability company organized under laws of Delaware ("**STBS**"). STBS provides bookkeeping, tax and business services. IQ Companies, LLC owns a minority interest in STBS and, as a result, STBS and SFG are affiliated persons.

Conflict: STBS and SFG have clients in common. SFG recommends, as appropriate, STBS' services to SFG's investment advisory clients and STBS recommends SFG's services to STBS' accounting, tax or payroll clients. Because of the affiliated person status between SFG and STBS, because Ms. Sarkey is an officer of SFG and an officer and owner of STBS, the recommendation by an SFG representative that an SFG client engage STBS, or the recommendation by an STBS representative that an STBS client engage SFG, presents a *conflict of interest.*

How SFG Addresses the Conflict(s): SFG has openly outlined the affiliate relationship between SFG and STBS in the interest of full disclosure. No SFG client is under any obligation to engage STBS for accounting services, and no STBS client is under any obligation to engage SFG for investment advisory services. SFG clients are reminded that they can obtain accounting services and STBS clients are reminded that they can obtain investment advisory services, in each case, from non-affiliated persons.

(2) Lawyer or law firm

Related Person: **Markus R.F. Sleuwen**, a senior officer of SFG, is the managing director and sole member of **Global Counsel, LLC**, organized under the laws of Illinois, operating as a law firm.

Conflict: SFG may refer SFG clients requiring legal services to Global Counsel, LLC or Mr. Sleuwen, and Mr. Sleuwen may receive income directly from any such SFG clients for those services.

How SFG Addresses the Conflict(s): No SFG client is under any obligation to engage Global Counsel, LLC or Mr. Sleuwen for legal services, and no client of Global Counsel, LLC is under any obligation to engage SFG for investment advisory services. SFG clients are reminded that they can obtain legal services from persons other than Global Counsel, LLC or Mr. Sleuwen, and Global Counsel, LLC clients are reminded that they can obtain investment advisory related services from persons other than SFG. SFG does not receive any fees from Global Counsel, LLC or from Mr. Sleuwen for any referrals to Global Counsel, LLC or Mr. Sleuwen.

(3) Trust

Related Person: **National Advisors Trust Company, FSB,** a national trust company, was created to support the fiduciary needs of clients who, through their estate planning efforts, prefer to continue to maintain their relationship with their financial advisory firm. National Advisors Trust Company is a wholly owned subsidiary of **National Advisors Holding, Inc.** SFG and approximately 120 other advisory firms located in over 40 states own equity interests in National Advisors Holding, Inc. SFG holds a less than 1% interest in National Advisors Holding, Inc. The mission of National Advisors Trust Company is to support the delivery of trust and custody services to the clients of its shareholders. To support this endeavor SFG created **Strategic Financial Group Private Trust Services**, a Trust Representative Office of National Advisors Trust.

Conflict: SFG recommends Strategic Financial Group Private Trust to its advisory clients seeking trust services. The grantor in a trust agreement would name SFG as the investment manager with discretion to manage the trust estate, and the agreement also provides that National Advisors Trust Company discharge the administration, distribution and custodial responsibilities of the trust. SFG, as a shareholder of National Advisors Holding, Inc., may benefit by realizing a profit in the form of dividends or corporate distributions from NAH, in addition to any investment advisory fees paid under the trust agreement.

How SFG Addresses the Conflict(s): SFG has openly outlined the ownership relationship between SFG and National Advisors Holding, Inc. in the interest of full disclosure. No SFG client is under any obligation to engage National Advisors Trust Company to perform the administration, distribution and custodial responsibilities of the trust.

(4) Business Broker

Related Person: **Markus R.F. Sleuwen**, a senior officer of SFG, is the manager and sole member of **CCMS International, LLC**, a registered business broker in the state of Illinois.

Conflict: SFG may refer SFG clients to CCMS International, LLC to act as an intermediary in connection with the sourcing of business buyers and/or sellers or other activities permitted under the Illinois Business Broker Act of 1995 as amended, and Mr. Sleuwen may receive income directly from any such SFG clients for those services.

How SFG Addresses the Conflict(s): No SFG client is under any obligation to engage CCMS International, LLC or Mr. Sleuwen for business broker services, and no CCMS International, LLC client is under any obligation to engage SFG for investment advisory services. SFG clients are reminded that they can obtain business broker services from persons other than CCMS International, LLC or Mr. Sleuwen, and CCMS International, LLC clients are reminded that they can obtain investment advisory related services from persons other than SFG. SFG does not receive any fees from CCMS International, LLC or from Mr. Sleuwen for these referrals.

(5) Commodity Pool Operator or Commodity Trading Advisor

Related Person: **Bradley J. Rathe**, a senior officer of SFG, is the manager and sole member of **Astor Janssen Holdings**, **LLC,** a commodity pool operator and a commodity trading advisor.

Conflict: SFG may refer SFG clients to Astor Janssen Holdings, LLC to obtain services relating to commodities, and Mr. Rathe may receive income directly from any such SFG clients for those services.

How SFG Addresses the Conflict(s): No SFG client is under any obligation to engage Astor Janssen Holdings, LLC or Mr. Rathe for commodity related services, and no Astor Janssen Holdings, LLC client is under any obligation to engage SFG for investment advisory services. SFG clients are reminded that they can obtain services relating to commodities from persons other than Astor Janssen Holdings, LLC or Mr. Rathe, and Astor Janssen Holdings, LLC clients are reminded that they can obtain investment advisory related services from persons other than SFG. SFG does not receive any fees from Astor Janssen Holdings, LLC or from Mr. Rathe for these referrals.

(6) Referrals to Third Party Professionals

Related Person: SFG refers SFG clients to other professionals for a variety of services such as **accounting, tax, legal or insurance brokerage**. SFG clients, however, are under no obligation to purchase any products through these professionals or to purchase any products recommended by these professionals. SFG clients retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from SFG. If an SFG client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the SFG client agrees to seek recourse exclusively from and against the engaged professional.

Conflict: SFG has a conflict of interest in making these recommendations because it could receive referrals from professionals it has recommended to SFG clients. In instances where the referred professional is also an SFG client, it may appear that SFG has an economic incentive for the referral.

How SFG Addresses the Conflict(s): No SFG client is under any obligation to engage an accounting, tax, legal or insurance brokerage service provider referred by SFG. SFG clients are reminded that they can obtain accounting, tax, legal or insurance brokerage services from persons other than the service providers referred by SFG. SFG will refer other professionals to SFG clients only when SFG believes the services provided by the professional best suit the SFG client's needs.

(7) **Donor Advised Funds – No Obligation/Potential for Conflict of Interest**

Related Person: SFG and Renaissance Charitable Foundation ("RCF") have two agreements in place, a DAF Services Agreement and an Investment Advisory Agreement, pursuant to which RCF sponsors and operates a Donor Advised Fund Program under the name "Strategic Financial Group Charitable Giving Fund Program" ("RCF DAF Program") and SFG is appointed by RCF as investment manager of the RCF DAF Program. SFG has no relationship with RCF other than such contractual relationships. SFG may have a relationship with other foundations that sponsor donor advised fund programs ("Other DAF Program") pursuant to which SFG is appointed as investment manager of such Other DAF Programs (any such other foundation, including Unity Foundation of LaPorte County, Inc., "Other Sponsor").

Conflict: SFG has a conflict of interest in making a recommendation to an SFG client or SFG prospect to use the RCF DAF Program or Other DAF Program because SFG serves as investment manager to the RCF DAF Program or Other DAF Program and receives investment advisory fees from RCF or Other Sponsor for SFG's investment management services to RCF or Other Sponsor. SFG has an economic incentive to make a recommendation to an SFG client or SFG prospect to use the RCF DAF Program or Other DAF Program to earn an investment advisory fee that it would not earn if the donor advised fund was not established under the RCF DAF Program or Other DAF Program. Once RCF receives a completed donor advised fund application signed by an SFG client or SFG prospect, RCF sets-up a donor advised fund under the RCF DAF Program per the terms of the DAF application, the DAF Circular and any other documents or laws applicable to the RCF DAF Program. Other Sponsors have similar donor advised fund initial set-up processes for their Other DAF Programs. Any funds that are contributed to any donor advised fund that is part of the RCF DAF Program or Other DAF Program (including contributions of funds from other existing donor advised funds) are the ownership of RCF or the Other Sponsor, respectively. SFG has no client relationship with any SFG client or SFG prospect with respect to any donor advised fund, except one SFG client, the sponsoring foundation and owner of the funds of the donor advised fund, which is RCF or Other Sponsor in the case of any donor advised fund that is part of the RCF DAF Program or Other DAF Program, respectively. The investment advisory fee paid by RCF or Other Sponsor to SFG for investment management services may be lower or higher than (1) the investment advisory fee paid by SFG clients to our firm for assets that are owned by SFG clients or (2) the investment advisory fee paid by other foundations to the investment managers of donor advised fund programs sponsored by such foundations. Also, the fees charged by RCF or Other Sponsor to a donor advised fund under the RCF Program or Other DAF Program, respectively, for administrative services of RCF or Other Sponsor to such donor advised fund may be lower or higher than the administrative fees charged by other foundations with respect to their sponsored donor advised fund programs. SFG believes that RCF's administrative fees and the total overall fees charged to each donor advised fund in connection with the RCF DAF Program are competitive within the donor advised fund industry.

How SFG Addresses the Conflict(s): SFG clients or SFG prospects are under no obligation to use the RCF DAF Program or any Other DAF Program. The grant advisor appointed by any SFG client or SFG prospect that initially sets-up a DAF has the authority to recommend to RCF or Other Sponsor (1) the contribution of all funds in such donor advised program to another qualified charity, including any donor advised fund at another sponsoring foundation, and (2) the selection of another investment adviser for such donor advised program sponsored (upon the implementation of either of which, such donor advised program would cease to be part of the RCF DAF Program or Other DAF Program).

SFG's Chief Compliance Officer, Markus R.F. Sleuwen, JD, remains available to address any questions that an SFG client or prospective SFG client may have regarding the potential for a conflict of interest presented by any donor advised fund under the RCF DAF Program or Other DAF Program.

X(D) Recommendation or Selection of Other Investment Advisers and Conflict of Interest

As described previously in Item IV(B), from time to time SFG may recommend or select other investment advisers for SFG clients and, in return, SFG will participate in the compensation (i.e. solicitor/referral fees) derived from the services such other investment advisers provide in connection with SFG clients' assets that they may manage throughout time. In these cases, SFG will generally enter into a formal, written agreement (i.e. a solicitor agreement) with such other investment advisers. These sorts of arrangements are often times referred to as "solicitor arrangements" and under such arrangements, SFG would be serving the role of solicitor for the other investment adviser.

As a result of such arrangements, SFG may be incentivized to recommend only the investment advisers from whom SFG receives solicitor/referral fees as opposed to another investment adviser from whom SFG does not receive such fees. SFG continually monitors any investment advisers that SFG recommends under a solicitor arrangement and, in the event that any of such investment advisers are not meeting the standards that SFG believes are necessary to meet the needs of an SFG client, SFG will seek other investment advisers that may be a better fit for the specific management needs of such SFG client.

Additional details about any such arrangement can be found in the applicable solicitor disclosure document that SFG is obligated to provide to each SFG client that SFG may refer to any other investment adviser under one of these solicitor arrangements. Each SFG client is always welcome to request from SFG a copy of SFG's current solicitor disclosure document with respect to any investment adviser that SFG may have recommended or selected for such SFG client.

Item XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

XI(A) Code of Ethics Description

SFG takes great pride in SFG's commitment to serving SFG's clients' needs and the integrity with which SFG conducts SFG's business. In SFG's recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

SFG has adopted a Code of Ethics ("**Code**") to memorialize SFG's vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. SFG's Code addresses issues such as the following:

- The standards of conduct and compliance with applicable laws, rules, and regulations
- The protection of material non-public information
- Conflicts of interest
- The disclosure by employees of personal securities holdings and transactions
- SFG's IPO and private placement policy
- The reporting of violations of the Code
- The education of employees about the Code
- The enforcement of the Code

Each adviser representative or employee of SFG has been furnished with a copy of SFG's Code and has signed his or her name to a written acknowledgement attesting to his or her understanding of the Code and acceptance of its terms. A copy of SFG's Code is available to all current and/or prospective SFG clients upon request.

XI(B) Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

SFG does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, SFG does not recommend any securities to advisory SFG clients in which it has some proprietary or ownership interest.

Refer below to Item XI(C).

XI(C) Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

SFG, its affiliates, employees (and their immediate families), and the trusts, estates, charitable organizations or retirement plans established by any of them purchase for their own account some of the same securities as SFG purchases for SFG clients. Personal securities transactions by adviser representatives or employees of SFG raise potential conflicts of interest when they trade in a security that is:

- owned by an SFG client, or
- considered for purchase or sale for an SFG client.

Such conflict generally refers to the practice of front-running (trading ahead of a client), which practice is specifically prohibited by SFG's Code.

SFG's Code and SFG's policies and procedures contain several provisions intended to address these conflicts of interest, including:

- the requirement that SFG's adviser representatives and employees act in the best interest of SFG clients,
- the prohibition against front-running, and
- the review (quarterly) of personal transactions of an adviser representative or employee or SFG to discover and correct trades that result in an adviser representative or employee of SFG benefitting at the expense of an SFG client.

Advisor representatives and employees of SFG must follow SFG's Code and SFG's policies and procedures when purchasing or selling the same securities purchased or sold for an SFG client.

XI(D) Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

SFG, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it sometimes effect securities transactions for their own accounts that differ from those recommended or effected for other SFG clients. SFG will make a reasonable attempt to trade securities in SFG client accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of SFG to place the SFG clients' interests above those of SFG and its employees and adviser representatives. (Please refer to Item 12 (B)(4) Order Aggregation.)

Item XII. Brokerage Practices

XII(A) Factors Used to Select Broker-Dealers for Client Transactions

(1) Broker/Custodian Recommendations

SFG participates in the institutional customer programs offered by the following brokerage firms or custodians:

1) Fidelity Clearing & Custody Solutions® (Fidelity Institutional)
2) SEI Private Trust Company
3) TD Ameritrade Institutional, Inc.
4) Charles Schwab and Company, Inc. (Schwab Adviser Services)
5) TradePMR, Inc.
6) Crews & Associates, Inc.
7) D.A. Davidson & Company

The above brokers or custodians are all independent, unaffiliated SEC-registered broker-dealers and FINRA members (except SEI Private Trust Company, which is a federally chartered limited purpose savings association only). Through these programs, the custodians offer various services to independent investment advisers, including custody of securities, trade execution, and clearance and settlement of transactions. SFG and SFG clients receive some benefits from the custodians through SFG's participation in these programs.

In certain instances, and subject to approval by SFG, SFG will recommend to SFG clients certain other broker-dealers and/or custodians, including National Advisors Trust Company, based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. SFG clients are advised that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of an SFG client.

(2) How SFG Selects Brokers/Custodians to Recommend

SFG seeks to recommend a custodian/broker who will hold SFG client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. SFG considers a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for SFG client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist SFG in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates,
- other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to SFG and SFG's clients (or SFG acquired firms or hired investment adviser representatives or the SFG acquired clients)
- custodian of SFG client at the time of acquisition or hiring investment adviser representative
- availability of other products and services that benefit SFG, as discussed below

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. SFG does not routinely recommend, request, or require that SFG clients direct SFG as to how to execute brokerage transactions on their behalf (i.e. using a particular broker-dealer for execution purposes).

However, SFG clients may direct SFG to use a particular broker-dealer (subject to SFG's right to decline such a request) to execute some or all transactions for their account or otherwise on their behalf. If SFG clients choose to use a firm other than the broker-dealer(s) that SFG recommends:

- SFG may not be able to negotiate terms and arrangements with respect to the account at the other broker-dealer,
- SFG may not be able to properly monitor SFG clients' Assets Under Management, and
- SFG may not be able to seek better execution services or prices from the other broker-dealer or be able to "batch" the transactions for execution through the other broker-dealer with orders for accounts of other SFG clients that SFG manages.

As a result, in such instances, SFG clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for an account than would otherwise be the case. Furthermore, SFG cannot be held responsible for the success or failure of any investment products or strategies that SFG clients implement at firms other than those SFG recommends. In other words, SFG's services and responsibilities will not apply to transactions SFG clients effect on their own whether through firms they choose on their own or through any broker-dealer SFG may recommend.

(3) Client's Custody and Brokerage Costs

For SFG client accounts, the custodian generally does not charge SFG clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts.

In addition to commissions or fees, some custodians charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that SFG has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the SFG client's custodian account. These fees are in addition to the commissions or other compensation the SFG client pays the executing broker-dealer. Because of this, in order to minimize the SFG client's trading costs, SFG has the custodian execute most trades for the account (provided, that in instances where individual bonds are being purchased or sold, these may be executed utilizing the custodian "prime broker" or an unaffiliated broker dealer).

Some custodians may charge a flat dollar amount with respect to private placements and other alternative investments that are held by such custodians. SFG may have alternative investments held directly with the issuer or the custodian or other qualified third party.

(4) Soft Dollar Arrangements

SFG does not direct brokerage transactions to executing brokers for research and brokerage services. SFG has not entered into any agreements for individualized special benefits that are not available generally to other investment advisers that would be considered soft dollars. The benefits that SFG receives that may be considered soft dollars are discussed in Item (A)(1)(E) below.

(5) Institutional Trading and Custody Services

The custodians provide SFG with access to their institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them, so long as a certain minimum amount of the assets that are managed by the advisers are maintained in accounts at a particular custodian. These services are not contingent upon SFG committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The custodian may also be compensated by account holders through commissions and other transaction-related fees for securities trades that are executed through the custodian or that settle into the custodian's accounts.

(6) Other Products and Services

The custodians also make available to SFG other products and services that benefit SFG but may not directly benefit SFG clients' accounts. Many of these products and services are used to service all or some substantial number of SFG's accounts, including accounts not maintained at the custodian. The custodian sometimes makes available to SFG software and other technology that:

- provide access to SFG client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple SFG client accounts
- provide research, pricing and other market data
- facilitate payment of SFG's fees from SFG clients' accounts
- assist with back-office functions, recordkeeping and SFG client reporting

The custodian offers other services intended to help SFG manage and further develop its business enterprise. These services include (not all inclusive):

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian sometimes provides other benefits such as educational events. In evaluating whether to recommend that SFG clients custody their assets at the custodian, SFG takes into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which can be perceived as a potential conflict of interest.

(7) Independent Third Parties

A custodian occasionally makes available, arranges, and/or pays third-party vendors for the types of services rendered to SFG. A custodian, at its discretion, may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to SFG.

(8) Additional Compensation Received from Custodians

SFG participates in institutional customer programs sponsored by broker-dealers or custodians. These are the same broker-dealers or custodians that SFG recommends to SFG clients for custody and brokerage services. There is no direct link between SFG's participation in such programs and the investment advice it gives to SFG clients, although SFG receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate SFG client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving SFG participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to SFG client accounts)
- The ability to have advisory fees deducted directly from SFG client accounts
- Access to an electronic communications network for SFG client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to SFG by third-party vendors

Some broker-dealers or custodians sometimes pays or reimburses expenses (including travel, lodging, meals, and entertainment expenses for SFG's personnel to attend conferences. Some of the products and services made available by a broker-dealer or custodian through its institutional customer programs benefit SFG but may not benefit SFG client accounts or may not benefit SFG client accounts proportionately. These products or services can assist SFG in managing and administering SFG client accounts, including accounts not maintained at such broker-dealer or custodian as applicable. Other services made available through the programs are intended to help SFG manage and further develop its business enterprise. The benefits received by SFG or its personnel through participation in these programs may or may not depend on the amount of brokerage transactions directed to the broker-dealer or custodian.

SFG also participates in similar institutional advisor programs offered by trust companies, and its continued participation requires SFG to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, SFG will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by SFG's related persons.

As part of its fiduciary duties to SFG clients, SFG endeavors at all times to put the interests of SFG clients first. SFG clients should be aware, however, that the receipt of economic benefits by SFG or its related persons in and of itself creates a potential conflict of interest and can indirectly influence SFG's recommendation of broker-dealers for custody and brokerage services.

(9) SFG's Interest in Services of Certain Custodians

The availability of these services from a custodian benefits SFG because SFG does not have to produce or purchase them. SFG does not have to pay for a custodian's services so long as a certain minimum of SFG client assets is kept in accounts at the custodian. These services are not contingent upon SFG committing any specific amount of business to the custodian in trading commissions or assets in custody. This minimum of SFG client assets can give SFG an incentive to recommend that SFG clients maintain their accounts with the custodian based on SFG's interest in receiving the custodian's services that benefit SFG's business rather than based on SFG client's interest in receiving the best value in custody services and the most favorable execution of SFG client transactions. This is a potential conflict of interest. SFG believes, however, that its selection of a particular custodian as custodian and broker for an SFG client is in the best interest of SFG clients because such selection is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only SFG. By committing to maintaining a minimum number of SFG clients at a custodian, SFG is able to provide a preferential negotiated fee schedule not available to retail customers of such custodian. However, please note that, notwithstanding a certain preferential negotiated fee, the commission rates or other brokerage execution fees charged by such qualified custodian to SFG clients may be higher than those charged by other broker-dealers.

It should be noted that SFG, as a company, is an indirect shareholder of National Advisors Trust Company through its ownership of less than one (1%) present of the shares of National Advisors Holding, Inc. This creates an inherent conflict of interest, given that SFG recommends National Advisors Trust Company as a custodian for SFG client accounts and as a corporate trustee. That said, SFG has a fiduciary duty to SFG clients and is required to place the interests of SFG clients ahead of its own interests or those of its employees and owners. See Item X(C)(3) above.

XII(B) Trading Practices

(1) Best Execution

SFG recommends that SFG clients establish brokerage accounts with specific qualified custodians to maintain custody of SFG clients' Assets Under Management and to effect trades for their accounts. Such accounts may be prime broker eligible so that if and when the need arises to effect securities transactions at broker-dealers ("**executing brokers**") other than with the SFG client's custodian, such custodian will accept delivery or deliver the applicable security from/to the executing broker. Some custodians charge a "trade away" fee (trade effected at another broker), which is charged against the SFG client account for each trade away occurrence. Clients should consult their current custodian for policies and fees concerning prime broker accounts and trade away fees or they can always ask their SFG advisor for a description of costs.

SFG, pursuant to the terms of its Investment Advisory Agreement with an SFG client, has discretionary authority to determine which securities are to be bought and sold, the amount of such securities, the executing broker, and the commission rates to be paid to effect such transactions. SFG recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. SFG will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing SFG client orders. These factors include but are not limited to the following:

- The financial strength, reputation, and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any) or zero on mutual funds
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance, and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the SFG client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, SFG seeks to ensure that SFG clients receive best execution with respect to their SFG client's transactions by blocking SFG client trades to reduce commissions and transaction costs. To the best of SFG's knowledge, these custodians provide high-quality mutual fund execution, and SFG clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the SFG client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, SFG believes that such commission rates are competitive within the securities industry. It is possible that lower commissions or better execution can be achieved elsewhere.

(2) Security Allocation

Since SFG manages accounts with similar investment objectives, SFG sometimes aggregates orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by SFG in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

SFG's allocation procedures seek to allocate investment opportunities among SFG clients in the fairest possible way, taking into account the SFG clients' best interests. SFG will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any SFG client or group of SFG clients. Account performance is never a factor in trade allocations.

SFG's advice to certain SFG clients and entities and the action of SFG for those and other SFG clients are frequently premised not only on the merits of a particular investment but also on the suitability of that investment for the particular SFG client in light of his or her applicable investment objectives, guidelines, and circumstances. Thus, any action of SFG with respect to a particular investment can, for a particular SFG client, differ or be opposed to the recommendation, advice, or actions of SFG to or on behalf of other SFG clients.

(3) Trading Frequency

SFG typically executes portfolio transactions on a once per day basis, regardless of the type of transaction (withdrawals, allocation changes, rebalancing, or general trading). The occurrence of additional trading depends on the SFG client's selection of custodian, type of security, the size and timing of SFG client deposits, and other factors SFG deems important. As a result, SFG clients sometimes incur a delay from the time that cash is deposited and the time that their funds are invested.

(4) Order Aggregation

Orders for the same security entered on behalf of more than one SFG client are sometimes aggregated at each qualified custodian or prime broker (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating SFG clients. All SFG clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if SFG believes that a larger size block trade would lead to best overall price for the security being transacted.

The reasoning for attempting to effect a batch order is that SFG may need to trade in the same security for multiple accounts at or around the same time and batching may allow SFG to achieve a more favorable price on average for all SFG clients. Batching doesn't guarantee the lowest possible price for execution - instead, it is intended to reduce the overall volatility in execution price for a large # of orders that, if not batched together, may experience significantly different execution prices. Conversely, in the event that SFG does not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some SFG clients may be higher or lower than what SFG might be able to achieve by processing a batched order for the benefit of those same SFG clients.

(5) Allocation of Trades

If trade allocations are required, they will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the SFG clients in order, taking into account all relevant factors, including, but not limited to, the size of each SFG client's allocation, SFG clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

SFG acts in accordance with its duty to seek best price and execution and will not continue any arrangements if SFG determines that such arrangements are no longer in the best interest of its SFG clients.

(6) Trading Errors

In the event of a trading error, and if the error is the responsibility of SFG, the SFG client transaction(s) will be analyzed and corrected and the SFG client will be put in the same position as if the trading error never occurred. If the error results in a loss, SFG will cover market value differences and any related fees and expenses.

If the error results in a gain, the treatment of any gains resulting from error corrections will be dependent on which custodian is processing the trade. The general approach of most custodians and SFG is to cause any gain to be donated to a charitable organization. In the event that the custodian processing the trade does not have a procedure or expects SFG to make the decision on how such gain should be treated, SFG will donate the gain to SFG's Community Fund (a donor advised fund).

Item XIII. Review of Accounts

XIII(A) Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

SFG Client Accounts:

SFG client accounts are subject to different reviews by different members of SFG.

Investment Adviser Representative Review:

Accounts of an SFG client are reviewed periodically and upon the request of an SFG client by any of the investment adviser representatives that are members of the investment advisory team assigned to such SFG client, including to determine whether the holdings in each account or the selected strategy with respect to each account are consistent with such SFG client's investment objective for that account and whether the aggregate holdings and strategies in all accounts are consistent with such SFG's client's overall risk tolerance and such SFG client's communicated goals and objectives.

Compliance Review:

SFG's compliance team, led by SFG's Chief Compliance Officer, regularly reviews information relating to a rotating sample of SFG clients. Below are examples of some of the review activities:

- review of notes of SFG client meetings and action follow-up
- confirming the existence of documentary backup for any change to the risk tolerance of an SFG client (at household level)
- confirming the existence of documentary backup for any change to the stated investment objective for any account of an SFG client
- confirming that the strategy selected with respect to an account of an SFG client is consistent with the risk tolerance of such SFG client (at household level) and consistent with the stated investment objective for such account
- if there is a discrepancy between the risk tolerance of an SFG client (at household level), the investment objective of any account of such SFG client or the strategy selected with respect to any such account of such SFG client, verifying that there is an adequate explanation for such discrepancy
- monitoring transaction relevant information across multiple account or SFG clients, including execution prices or trade activity patterns

Investment Management Review:

SFG's investment management team, led by SFG's Chief Investment Officer, undertakes the following tasks periodically (not less than on an annual basis):

- Determination of strategies meeting their investment mandates, as well as SFG's investment policy and philosophy and
- Performance of securities in strategies relative to benchmarks
- Performance of securities in strategies vs. peer groups
- Review based on qualitative and quantitative factors
- Review risk/return and investment expense profiles for consecutive periods
- Review of the qualifications and status of the current qualified custodians, internal trading process, and state of the trading systems used
- Review of the investment management companies that manage securities in the strategies
- Review of the mix of securities in the strategies
- Review the investment universe to ensure securities are utilized in construction of strategies that meet SFG's selection criteria

Financial plans:

The director of SFG's financial planning department periodically reviews a sample of financial plans that SFG has prepared for SFG clients. This includes:

- Review that the information received from an SFG client was adequate to develop the plan for such SFG client
- Review plan assumptions
- Review SFG client's goals and needs
- Review plan analysis
- Review plan recommendations
- Review that all financial planning areas covered by the engagement have been addressed in the plan

XIII(B) Review of Client Accounts on Non-Periodic Basis

SFG will perform ad hoc reviews on an as-needed basis if there have been material changes in the SFG client's investment objectives, risk tolerance, volume of SFG client initiated transaction requests, at SFG client's request, or if there has been a material change in how SFG formulates investment advice.

XIII(C) Content of Client-Provided Reports and Frequency

SFG provides written investment reports to SFG clients in connection with periodic review meetings and at the request of SFG clients. These reports include:

- changes in market values
- current and historical time-weighted performance statistics
- comparison to an appropriate benchmark index
- strategies applicable to each account
- individual account holdings

SFG clients receive invoices from SFG (or, in some instances, directly from a custodian, record-keeper or third party administrator), which include a calculation of the applicable Adviser Fee.

SFG clients are able to access the above investment reports or SFG generated invoices on an ongoing basis through their internet based SFG client portal.

SFG may provide a financial plan as part of a regular review meeting or in connection with a financial plan presentation meeting. The content of the financial plan depends on the particular engagement, and may include comprehensive or issue-based analysis and recommendation in the six areas of financial planning, including 1) financial planning, 2) tax planning, 3) insurance analysis, 4) investment analysis, 5) retirement planning, and 6) estate planning.

SFG may mail to an SFG client or upload to the internet based client portal of such SFG client the investment report or financial plan in the event that such SFG client is not able to meet with SFG for an extended period of time.

Each qualified custodian (and each annuity company with which SFG has a service agreement) has undertaken the responsibility to provide regular account statements directly to any applicable SFG client. The statement of custodians is the official record of the SFG client's Assets Under Management in a particular account and supersedes any statements or reports created on behalf of the SFG client by SFG. SFG clients are encouraged to cross reference Assets Under Management holdings as shown on SFG reports with the applicable custodian statements for the same period.

Item XIV. Client Referrals and Other Compensation

XIV(A) Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Other than the compensation arrangements described above in Item V, SFG receives no other compensation for outside business services.

SFG is not registered as a broker-dealer and thus, SFG does not receive transaction–based compensation for securities-related activities.

Additionally, while certain SFG supervised persons may be qualified to receive compensation directly for the sale of insurance products if properly registered and licensed to do so (as a licensed insurance agent), SFG prohibits SFG supervised persons from selling or receiving compensation on this activity.

XIV(B) Advisory Firm Payments for Client Referrals

(1) Solicitor Arrangements

SFG may enter into agreements with solicitors who will refer prospective advisory SFG clients to SFG in return for a portion of the Adviser Fee. Such arrangements will comply with the cash solicitation requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940 and will require the solicitor to have a written agreement with SFG. The solicitor will provide the SFG client with a disclosure document describing the fees it receives from SFG, whether those fees represent an increase in fees that SFG would otherwise charge the SFG client, and whether an affiliation exists between SFG and the solicitor. The specific fee arrangements will be found in the specific solicitor disclosure document relating to each such solicitor arrangement.

(2) Paid Advertising for Client Referrals

Some of the professionals of SFG are profiled in on-line registries. Investors use these registry online services to learn about financial advisors, how to avoid bad financial advice, how to select quality advisors, to search for financial advisors, and to view advisor documentation. Some registries match our financial professionals to investors who use the registry's custom search services and its documentation to review our professional's credentials, ethics, business practices, and financial services. SFG pays fixed monthly or annual dues or a fee for SFG's professionals to be profiled in the registry and/or receive referrals. Some registries use the dues to provide free information and search services to investors. Other sites are considered paid advertising. Inclusion in a registry is not indicative of an endorsement of SFG or SFG's Advisor(s) by the registry sponsor.

Item XV. Custody

Assets Under Management are held by qualified custodians. SFG is considered to have custody of Assets Under Management of SFG clients for purposes of the Advisers Act (i) due to deducting fees directly from the accounts of SFG clients at the custodians and (ii) because SFG has the authority to disburse money to a third-party on an SFG client's behalf pursuant to a standing letter of authorization.

In order to meet the requirements of certain SEC exemption from its surprise custody exam under Rule 206(4)-2(b)(3) relating to SFG's deemed custody, (i) SFG clients will receive at least quarterly account statements of their Assets Under Management directly from their custodians containing a description of all activity, cash balances, and portfolio holdings in their accounts, and (ii) SFG will follow the requirements of the SEC's no-action letter dated February 21, 2017 relating to standing letters of authorization.

Individual advisory SFG clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. SFG clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

Item XVI. Investment Discretion

In connection with SFG's investment advisory services, SFG clients will grant a limited power of attorney to SFG with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. SFG will exercise, with respect to a particular SFG client, the discretion as described in the Investment Advisory Agreement. Generally, SFG clients grant SFG full discretion over the following areas:

1) The specific securities to be bought or sold on the SFG client's behalf
2) The amount of securities to be bought or sold on the SFG client's behalf
3) The amount, if any, of commissions to be paid to third parties
4) Timing as to when such securities are to be bought or sold
5) The particular broker or dealer to be used for arranging SFG client securities transactions

Item XVII. Voting Client Securities

As a general rule, SFG does not vote proxies on behalf of SFG clients for any securities SFG clients own. Proxies related to the securities SFG clients own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork SFG clients completed for each custodian holding their Assets Under Management. In no event will SFG take discretion with respect to voting proxies on behalf of SFG clients. If SFG clients have questions related to a particular proxy notice, please call SFG at 219-736-8902.

Except as required by applicable law, SFG will not be obligated to render advice or take any action on behalf of SFG clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of SFG clients will be the subject of class action lawsuits. SFG has no obligation to determine if securities held by the SFG client are subject to a pending or resolved class action lawsuit. SFG also has no duty to evaluate an SFG client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, SFG has no obligation or responsibility to initiate litigation to recover damages on behalf of SFG clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by SFG clients.

Where SFG receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by an SFG client, SFG will forward all notices, proof of claim forms, and other materials to the SFG client. Electronic mail is acceptable where appropriate and where the SFG client has authorized contact in this manner.

Notwithstanding the above in this Item XVII, in limited circumstances, primarily related to the joint fiduciary responsibility with National Advisors Trust Company in its role as trustee to certain irrevocable trusts, and, to the extent not expressly disclaimed, with respect to ERISA plans, SFG will be responsible for voting proxies relating to the trust's portfolio securities at no additional charge. SFG will utilize an independent third party services provider to review proxy solicitations, make voting determinations and actually vote proxies on behalf of SFG clients. In the case of a conflict between the interest of the trusts and the service provider, SFG's investment committee will typically decide on how to vote the proxy. In the alternative, SFG may request guidance from the trust beneficiaries or ERISA plan sponsors, on how to vote the particular proxy.

Item XVIII. Financial Information

XVIII(A) Balance Sheet

SFG clients do not prepay more than $1,200 in fees per SFG client, six months or more in advance. As a result, SFG is not required to prepare and deliver an audited balance sheet with respect to the most recently completed fiscal year.

XVIII(B) Adverse Financial condition

SFG does not believe that SFG has a financial condition that is reasonably likely to impair SFG's ability to meet SFG's commitments to SFG clients.

XVIII(C) Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.

Item XIX. Requirements for State-Registered Advisers

As a federally-registered investment adviser, this Item of SFG's Brochure is not applicable to SFG.

SFG's Chief Compliance Officer, Markus R.F. Sleuwen, JD, is available to address any questions regarding this Part 2A Brochure.