

LIFESTAGE WEALTH MANAGEMENT GROUP, LLC  
123 3<sup>RD</sup> AVENUE EAST, STE. 200  
ALEXANDRIA, MN 56308  
(320) 762-1880

THIS BROCHURE PROVIDES CLIENTS WITH INFORMATION ABOUT LIFESTAGE WEALTH MANAGEMENT GROUP, LLC's ("LWM") INVESTMENT MANAGEMENT PROGRAM THAT SHOULD BE CONSIDERED BEFORE BECOMING A CLIENT OF LWM. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.

TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
INVESTMENT MANAGEMENT SERVICES .....	1
CONSIDERATIONS.....	2
QUALIFICATION STANDARDS IMPOSED ON PROFESSIONAL STAFF .....	3
PROFESSIONAL STAFF.....	3
OTHER BUSINESS ACTIVITIES .....	3
OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS .....	3
INTEREST IN TRANSACTIONS .....	4
REVIEWS AND REPORTS .....	4
INVESTMENT BROKERAGE DISCRETION.....	4
PAYMENTS TO THIRD PARTIES .....	5
RELATIONSHIP WITH SCHWAB .....	5
PROXY VOTING POLICY .....	6

### **Introduction**

LifeStage Wealth Management Group, LLC ("**LWM**") is a Minnesota limited liability company located in Alexandria, Minnesota. The firm offers discretionary investment management services to its clients. A description of the management service program is set forth below. The firm's consulting advisory services are described in the firm's Form ADV, Part II which is available upon request.

LWM's investment management services program is a "wrap fee" service. As such, the asset-based fee charged to clients by LWM covers LWM's management fees, third-party portfolio management fees (if applicable), as well as certain brokerage transaction commission costs, on the majority of all transactions.

### **Investment Management Services.**

To commence investment management services, LWM recommends clients open an account ("**Account**") with Charles Schwab & Co., Inc. ("**Schwab**") or Fidelity Investments ("**Fidelity**"), a securities broker-dealer, member FINRA/SIPC, which will typically be the client's Account custodian ("**Custodian**") unless assets are held by the issuer or another custodian. Schwab and Fidelity processes all transactions for each client's account in return for commissions. Neither LWM nor Advisory Representatives of LWM share in Custodian's commissions nor does the firm share in any revenue from any mutual fund company.

After the Account is opened, an LWM Advisory Representative will monitor the investments in the Account and purchase and sell securities in the account as the Advisory Representative deems necessary to be consistent with the client's investment objectives and restrictions. All Accounts are discretionary accounts. This means that LWM's Advisory Representative will not contact a client before placing an order to purchase or sell securities because the client grants LWM authority in advance to place orders. In addition, LWM has authority to secure the services of third party portfolio managers ("**Third Party Portfolio Managers**") and to terminate the services of Third Party Portfolio Managers if the Advisory Representative believes it is in the best interests of the client to do so. Securities of all types may be purchased or sold by LWM while providing services, including but not limited to stocks, bonds, mutual funds, exchange traded funds, options and money market funds.

When securing the services of Third Party Portfolio Managers, LWM will generally recommend and use the services of managers it has researched and is familiar with. Third Party Portfolio Manager performance, like that of investment performance, is reviewed periodically by LWM and discussed with the client. In most cases, recommendations to replace a Third Party Portfolio Manager are not made based upon short-term performance. When a Third Party Portfolio Manager is replaced, LWM will attempt to notify the client orally or in writing to obtain the client's consent for the change. However, LWM is granted authority to change managers even if a client's consent is not obtained. When a Third Party Portfolio Manager is selected, clients will receive that firm's Form ADV, Part II disclosure brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt.

Meetings with clients are held at the request of the client or at the request of the client's LWM Advisory Representative. Also, a client is free to contact his or her Advisory Representative or Third Party Portfolio Manager at any time should the client have any questions.

It is important that a client immediately inform the client's LWM Advisory Representative of any change in the client's investment objectives or financial circumstances since advice and selection of investments are based upon such information. LWM does not guarantee the results of its services and losses can occur from receiving services.

Reports are provided to each client quarterly by the Custodian.

### **Fees for Investment Management Services**

The fees for discretionary management services are negotiable and are based on an annual percentage of assets subject to management services as shown in the Schedule below. The fees cover all custody and most transaction

costs in addition to LWM's management fees. The fee includes all fees and charges for services of third-party investment managers providing services to a client. The fee does not include the following: (a) charges for services provided by LWM, its affiliates or third parties which are outside the scope of the services agreement (e.g., retirement plan administration fees, trustee fees, wire transfer fees, etc.); (b) taxes for fees imposed by exchanges or regulatory bodies; and (c) mark-ups and mark-downs on principal trades; (d) brokerage commissions and other fees and charges imposed because the client, LWM or a Third-Party Portfolio Manager chooses to effect securities transactions for the account with or through a broker-dealer other than the Custodian; (e) Commissions on transactions initiated by Client; and (f) internal operating expenses on mutual funds and exchange traded funds. In addition, any commissions charged for transactions occurring after termination of the services agreement are the obligation of the client. Each of these additional charges are separately charged to the account or reflected in the price paid or received for a given security.

Negotiated fees may differ from client-to-client based upon a number of factors, including, but not limited to, the type and size of the Account, the historical and/or expected size or number of trades for the Account, and the number and range of supplemental advisory and client related services to be provided to the client.

<b>Equity and Balanced Account Asset Value</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
Under \$500,000	1.4%	0.35%
\$500,000 - \$1,000,000	1.2%	0.30%
Over \$1,000,000	1.0%	0.25%
<b>Equity Accounts</b>	3.0%	0.75%
<b>Fixed Income Accounts</b>	0.5%	0.125%

Fees are billed quarterly, in arrears, based on the value of assets under management determined as of the end of the previous quarter. The initial fee is calculated from the opening date through the last business day of that calendar quarter and shall be pro-rated accordingly. Additional assets received into the Account may be charged a pro-rata fee based on the number of days remaining in the quarterly billing period. No adjustments will be made to the fee for appreciation or depreciation in the market value of securities held in the Account, or with respect to partial withdrawals by a client other than at the discretion of LWM, during any quarterly billing period for which such fee is charged. In the event this Agreement is terminated by either party prior to the end of a billing period, Client agrees to pay all fees due, prorated to date of termination.

The client's Account is debited for all fees due, or clients may receive bills by mail for payment. LWM has the right to amend its fee schedule upon 15 days written notice to the client.

#### **Technical Allocation Program "TAP"**

As described above this is an Investment Management Services program where LWM's representative will utilize monthly tactical analysis to identify the strength of various asset classes. Portfolios in the TAP program may be adjusted by LWM's representative based on this analysis.

Fees. Fees for this service are 0.25% in addition to the fee schedule noted above.

#### **Considerations**

LWM's fees may be more or less than those charged by LWM to another client for similar services, and by other advisers for similar services. Also, LWM's "wrap" fee for services, i.e., the fee covering both advisory services and transaction commissions, may be more or less than purchasing advisory and transaction brokerage services separately. The factors that bear upon the cost of services are the size of the account, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

In the event that exchange-traded funds or other mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal fees as described in the fund's prospectus. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by LWM.

Because LWM absorbs transaction costs, Advisory Representatives may have a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to LWM and thereby reducing its revenue which the Advisory Representative shares. Thus, a conflict of interest exists.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs, certain account charges, commissions and costs for transactions not placed through the custodian and for transactions occurring after termination of LWM's services agreement are not covered.

LWM does not guarantee the results of the advice it gives or the advice given and actions taken by Third Party Portfolio Managers. Thus, losses can occur by using LWM's services.

### **Qualification Standards Imposed on Professional Staff**

Certain Investment Advisor Representatives associated with the Firm will be required to have the ability to successfully pass and obtain Life, Disability and Variable licenses as appropriate. All Representatives giving advice must have experience and/or educational backgrounds sufficient to provide advice competently.

### **Professional Staff**

Loren E. Liesemeyer, CFP Year of Birth (1956)

#### **Examinations/Professional Designations:**

MN: Life, Accident and Health; and Variable Annuity Licenses  
FINRA: Series 7, 24 and 63

#### **Education:**

Alexandria Vocational Technical Institute  
Finance and Credit Management

#### **Business:**

LifeStage Wealth Management Group, LLC, President  
Registered Investment Adviser January 2004 - Present

Loren E. Liesemeyer, d/b/a Miller-Green Financial Planning Services, Sole Proprietor  
Registered Investment Adviser 1996-January 2004

Fintegra, LLC, Minneapolis, MN, Registered Representative  
November 2007 - November 2008

Questar Capital Corporation, Ann Arbor, MI  
Registered Representative January 2004-November 2007

Sanders Morris Harris, Inc., Houston, TX, Registered Representative  
Broker/Dealer 2001-January 2004

IFG Network Securities, Atlanta, GA, Registered Representative  
Broker/Dealer 1994-2001

FSC Securities Corporation, Atlanta, GA, Registered Representative  
Broker/Dealer 1987-1994

### **Other Business Activities**

Loren E. Liesemeyer, CFP concentrates the majority of his efforts toward the delivery of investment advisory services. Loren E. Liesemeyer, CFP is licensed to provide insurance services to Clients. Insurance products are available to Clients for personal, estate and business needs. This activity accounts for approximately 15% of Mr. Liesemeyer's time.

Mr. Liesemeyer is a unit holder of Compass Financial Holdings, LLC, a financial holding company. These activities account for approximately 1% of his time.

### **Other Financial Industry Activities or Affiliations**

Mr. Liesemeyer is a licensed life, accident and health, and variable contract agents. Normal commissions from insurance products are earned and paid by insurance companies to Loren Liesemeyer, when such products are placed directly with Clients. Insurance products are often recommended to Clients of the Firm in an effort to minimize Clients' exposure to identified risks. Clients are under no obligation to purchase insurance products or companies recommended by the Firm. However, Clients often do purchase such products when the need arises.

### **Professional Staff**

Jon M. Halvorson, AAMS Year of Birth (1961)

#### **Examinations/Professional Designations:**

MN: Life, Accident and Health; and Variable Annuity Licenses  
FINRA: Series 7 and 63

#### **Education:**

University of Wisconsin/Eau Claire B.A.  
Economics

#### **Business:**

LifeStage Wealth Management Group, LLC, Wealth Advisor  
Accredited Asset Management Specialist March 2008 - Present

Edward Jones, AAMS  
Financial Advisor January 2005 – March 2008

Self Employed, Sales Representative  
2003 - 2005

G & K Services, Sales Representative  
1997 - 2003

### **Other Business Activities**

Jon M. Halvorson, AAMS concentrates the majority of his efforts toward the delivery of investment advisory and Financial Planning. Jon M. Halvorson, AAMS is licensed to provide insurance services to Clients. Insurance products are available to Clients for personal, estate and business needs. This activity accounts for approximately 15% of Mr. Halvorson's time.

## **Interest in Transactions**

LWM's Advisory Representatives may buy and sell the same securities they recommend to clients. To the extent such transactions, other than in mutual funds, could adversely impact on transactions contemplated for client Accounts, client transactions are given priority. A file is kept on each transaction that occurs.

LWM has established a Code of Ethics applicable to all persons at the firm who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for client accounts. The Code also establishes certain bookkeeping requirements relating to the new federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

## **Reviews and Reports**

### **Reviews**

Investment Management involves periodic monitoring and review of portfolio assets. Investment Management Services generally entail quarterly internal reviews, however, these reviews may occur more frequently, depending upon the underlying assets in the portfolios or as may be desired by the Client.

Each Client's LifeStage Investment Adviser Representative will review investment results, asset allocations, Client objectives and other variables that may have been identified during the course of the engagement. Clients are encouraged to notify the Firm immediately of any changes in the Client's financial status in the event there needs to be a change in the Client's investment plan. Otherwise, the firm encourages personal meetings to review investment results and strategies at least annually, but Clients are welcome to meet as often as desired.

Administrative personnel may assist with general Client services and administrative duties. All decisions, account reviews, and primary client contacts are made and performed by each Client's LifeStage Investment Adviser Representative.

### **Reports**

Clients receive standard account statements from investment sponsors and brokerage firms monthly or quarterly. Clients also receive statements as transactions occur. LifeStage will prepare annual valuation reports and these may be accompanied by the Adviser's commentary on the progress toward or achievement of goals and objectives.

## **Investment Brokerage Discretion**

Managed portfolio Accounts are discretionary. While implementing service strategies on a discretionary basis, LWM's Advisory Representatives may purchase securities in the accounts in the amounts and at the times they deem appropriate. LWM has discretion to select the brokerage firm to be utilized but will recommend and most often use Schwab or Fidelity for all transactions unless in the Advisory Representative's judgment another brokerage firm should be used. LWM intends to receive competitive brokerage transaction executions, which include the price paid for the security, as well as the commissions paid. However, use of one designated broker-dealer may not result in the best price or execution.

LWM also has discretionary authority to hire and terminate the advisory services of Third Party Portfolio Managers if and when it deems it appropriate to do so. Third Party Portfolio Managers also have discretionary authority granted by the client to purchase and sell securities.

LWM may aggregate or “block” transaction orders for numerous clients when it believes it is in the clients’ best interest to do so. When the aggregated order is filled, each client participating in the blocked order receives an average price. LWM and its employee accounts may be part of an aggregated order placed to purchase or sell a particular security. Thus, when LWM’s or a related person’s account holds the same security that is within one or more client accounts, or needs to purchase the same security that one or more client accounts will purchase, there is an inducement for LWM to create the block because the average price may be better than the price the related account could have achieved alone. In all cases, client needs and objectives are placed ahead of those of LWM and its related persons accounts.

### **Payments to Third Parties**

LWM may also enter into new client procurement agreements with firms or individuals qualified to solicit client relationships for LWM. Such agreements call for the relationship of LWM and the client solicitor to be fully disclosed to the client, including the remuneration to be paid the solicitor by LWM, before management services begin. When such arrangements exist, the fee charged to a client for services is not raised or lowered.

### **Relationship With Custodians**

Custodians, such as Schwab or Fidelity may provide LWM with a range of services and other benefits to help it conduct its business. For instance, they may pay for or provide LWM with technology solutions to help facilitate its integration with their brokerage system and streamline its operations. These services may include their proprietary integrated analysis, trading and reporting systems that allow LWM to communicate electronically with them. They also offer investment research to help LWM make well-informed investment decisions for its accounts. Trained representatives are available to provide administrative support to LWM. They may also assist LWM in its marketing activities, including providing marketing toolkits and other forms of marketing materials LWM may use or adopt for its purposes, co-sponsor events sponsored by LWM, or engage in joint marketing initiatives with LWM. They may assist LWM in joining its services platform and in completing documentation to enroll clients to receive its services, and this may include providing or paying for clerical staff to assist and, in some cases, paying account transfer fees or other charges LWM clients may have to pay when changing custodians or service providers.

In limited circumstances, they may also make direct payments to LWM. For example, it may reimburse LWM for reasonable travel expenses incurred when reviewing their business and practices. They also may pay LWM for performing certain back-office, administrative, custodial support and clerical services for us in connection with client accounts for which they act as custodian. These payments may create an incentive for LWM to favor certain types of investments over others.

These and other services the custodians may furnish will provide benefits to LWM and may be made available at no fee or at a discounted fee and the terms may vary among advisors depending on the business they and their clients conduct with us and other factors. Their provision of these services and other benefits to LWM may be based on clients of LWM placing a certain amount of assets in accounts with them within a certain period of time. LWM may be influenced by this in recommending or requiring that its clients establish accounts with us. These products and services may not necessarily benefit a client’s account.

Custodians and LWM may agree to pricing (including commissions and transaction account and service fees) for LWM’s client accounts at their firm based on the nature and scope of business LWM does with them, including the current and future expected amount of LWM’s client assets in their custody, the types of securities managed by LWM, and expected frequency of LWM’s trading. They may change this pricing and the services and other benefits they provide if the nature or scope of LWM’s business with them changes or does not reach certain levels, in which case pricing for LWM’s client accounts may increase to an amount they decide but not to exceed their standard pricing for advisors that custody with them.

For these reasons, LWM may have a conflict of interest when recommending these custodians because LWM’s use of any other firm could result in higher operating costs. The same conflict exists if another custodian providing similar services exists.

For further information about the programs and incentives available to LWM in managing accounts through specific custodians, Clients may contact LWM directly.

**Proxy Voting Policy**

It is LWM's policy to allow its Clients to make all decisions being addressed in a Company's or mutual fund's proxy proposal and to submit their own votes. LWM does not take independent action to vote proxies. However, LWM will assist Clients with questions regarding proxies and proxy voting procedures.