

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser: Cambridge Financial Group, Inc.					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
4100 Horizons Drive, Suite 200	Columbus	OH	43221	614	457 - 1530

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: **Cambridge Financial Group, Inc.**

SEC File Number:

801- **26539**

Date:

**03/29/2010**

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |                                     |  |            |   |
|-------------------------------------|--|------------|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services .....   | <u>100</u> | % |
| <input type="checkbox"/>            | (2) Manages investment advisory accounts not involving investment supervisory services.....  | _____      | % |
| <input type="checkbox"/>            | (3) Furnishes investment advice through consultations not included in either service described above...  | _____      | % |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription .....  | _____      | % |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above.....   | _____      | % |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | _____      | % |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities...   | _____      | % |
| <input type="checkbox"/>            | (8) Provides a timing service .....  | _____      | % |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above.....   | _____      | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes ☐ No ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities                            | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                  | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter          | <input type="checkbox"/> (1) securities                                    |
| <input type="checkbox"/> (3) Foreign issuers  | <input type="checkbox"/> (2) commodities                                   |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                          |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                                   |
| <input type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                          | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance                                | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities                                     | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input type="checkbox"/> (3) mutual fund shares                                     |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services                                |
| (2) <input type="checkbox"/> Inspections of corporate activities           | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input type="checkbox"/> Research materials prepared by others         | Securities and Exchange Commission  |
| (4) <input type="checkbox"/> Corporate rating services                     | (7) <input type="checkbox"/> Company press releases                         |
|  | (8) <input type="checkbox"/> Other (explain on Schedule F)                  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... ☐ Yes ☒ No

(If yes, please describe these standards on Schedule F)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No  
☐ ☒

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

The three officers of the firm are responsible for all client accounts, including reallocating assets within the account whenever the firm's model, which is used in the management of the particular account, indicates that such a reallocation is called for. Reallocations will be based on the market value of the components of the account, where appropriate, and any capital additions will be invested in order to ensure that there is conformity with model guidelines and client instructions. Assessments will be made on a monthly or quarterly basis in order to ensure that all accounts are invested in accordance with the allocation models.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Each client is provided with a quarterly appraisal which lists all securities in their account, along with the cost, market value and estimated annual income. Each client is provided quarterly performance results. Capital gain and loss schedules and income summaries are also provided on a quarterly basis.

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**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
|  | Yes                                 | No                       |
| (1) securities to be bought or sold? .....           | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                     |                          |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... ☐ Yes ☒ No

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Cambridge Financial Group, Inc.

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Date:  
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
1A	<p>Cambridge Financial Group participates in the wrap fee programs sponsored by Raymond James &amp; Associates, Inc., Oppenheimer, Mesirow Financial, Linsco/Private Ledger Corp., Lockwood Advisors, Inc., Bear Stearns, Stifel, Nicolaus &amp; Company, Sanders Morris Harris, Morgan Stanley, JP Morgan Clearing Corp, Investors Capital Advisory Services, and Morgan Stanley Smith Barney LLC. Within these programs, Cambridge Financial Group is one of several investment managers that are offered by the individual firms to those clients who are interested in an all-inclusive fee arrangement.</p> <p>The investment strategy utilized by Cambridge Financial Group, as well as that of all of the other managers in the program, are presented to the client for their consideration. The individual brokerage firm shares in the marketing and servicing of the client. In exchange, the fee paid to Cambridge Financial Group is a reduction to the stated fee schedule.</p> <p>The overall wrap fee is negotiable. The fee paid to Cambridge Financial Group is between 1/2 and 3/4 of 1% of the assets under management. Further information regarding these wrap-fee programs can be obtained from Stifel, Nicolaus &amp; Company, Raymond James &amp; Associates, Inc., Oppenheimer, Linsco/Private Ledger Corp., Lockwood Advisors, Inc., Bear Stearns and Co., and Mesirow Financial.</p>	
1D	<p>Accounts are managed on a discretionary basis according to the models that pertain to the style selected by the client. Fees for the individually managed accounts are based upon assets under management and are billed quarterly at one-fourth of the applicable rate and are payable in advance. In the event that a relationship is terminated, fees will be refunded to the client on a pro-rata basis for the period remaining between termination and the end of the billing period.</p> <p>Equity Management 2.00% of the first \$1 million 1.75% of the next \$4 million 1.50% of the remainder</p> <p>Fixed-Income Management 1.40% of the first \$10 million 1.30% of the remainder</p> <p>Balanced Management Applicable fee schedule is determined by the policy blend, as selected by the client.</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1)).

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Cambridge Financial Group, Inc.

SEC File Number:  
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Date:  
03/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
6	<p>The principal executive officers of the company and certain biographical data are set forth below:</p> <p>Gregory J. Bauer, CFA Born November 7, 1952; MBA, finance, Capital University, Columbus, Ohio, 1976; BSBA, finance, The Ohio State University, 1974; Chartered Financial Analyst, 1980. Mr. Bauer served as Chairman, Treasurer, a director and is a shareholder of the company since its inception in January, 1986. He served as pension fund manager, Borden, Inc. from December 1983 to January 1986; and as a equity portfolio manager of the Public Employees Retirement System of Ohio from June 1974 to November 1983.</p> <p>Earl V. "Buck" Newsome, Jr. Born August 17, 1956; BA, biology, Gettysburg College, 1978. Mr. Newsome served as Vice President, Marketing for Renaissance Investment Management, Inc., an investment adviser, from June 1987 to September 1991; as Vice President, Marketing for Legg Mason Capital Management, from January 1987 to June 1987; as account executive for E.F. Hutton from September 1983 to December 1986; as an account executive for Merck, Sharpe &amp; Dohme from October 1978 to September 1983; as an account executive with Burroughs Wellcome from July 1978 to October 1978.</p>	
9	<p>Cambridge Financial Group adopted a Code of Ethics effective April 2006 that sets forth standards of conduct for employees of Cambridge Financial Group and requires compliance with federal and state security laws. A copy of the Code will be furnished, free of charge, to any person who so requests in writing. Any such request should be directed to Gregory J. Bauer, CFA, Cambridge Financial Group, Inc., 4100 Horizons Drive, Suite 200, Columbus, Ohio, 43221.</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)



**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Cambridge Financial Group, Inc.

SEC File Number:  
801- 26539

Date:  
03/29/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
12	<p>If a client does not designate a broker-dealer to effect transactions for that account, the company will select a broker-dealer according to the best possible execution and clearance services and commission rates.</p> <p>Cambridge Financial Group, Inc. has a Best Execution Policy and reviews trades periodically to insure that the policy is followed. "Best Execution" means that Cambridge Financial Group, Inc. will execute security transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable, under the circumstances, in implementing our overall investment responsibilities to our clients. In assessing whether this standard is met, Cambridge Financial Group, Inc. will consider the broker/dealer's full range of services, including execution capability, commission rates, financial responsibility and responsiveness, among other things.</p> <p>Cambridge Financial Group, Inc.'s portfolio securities are selected from the list of companies that comprise the S&amp;P 500 Index. The stocks of these companies are all relatively liquid securities, and the daily volume is relatively large. Cambridge Financial Group, Inc. does not pay any commissions for research services.</p> <p>In the event of a trading error in a client's account, if the error results in a gain, and it can be posted to the client's account, the gain will accrue to the client. If the error results in a gain and the nature of the client's account prohibits the client being credited with the gain, the error will be transacted through the brokerage firm's error account, and the broker will realize the gain. If a trading error results in a loss, the loss will be borne by Cambridge Financial Group, Inc.</p> <p>If a client specifies restrictions in regard to specific equities, and those equities are holdings in one of the Cambridge Financial Group portfolios, the portion of the account that would have been allocated to those equities may be held in cash.</p>	
13A	<p>For those clients who enter wrap-fee programs sponsored by Raymond James &amp; Associates, Inc., Oppenheimer, Mesriow Financial, Linsco/Private Ledger Corp., Lockwood Advisors, Inc., Bear Stearns, Stifel, Nicolaus &amp; Company, Sanders Morris Harris, Morgan Stanley, JP Morgan Clearing Corp, Investors Capital Advisory Services, and Morgan Stanley Smith Barney LLC, Cambridge Financial Group will earn between 1/2 and 3/4 of 1% of the assets under management, from fees paid by the client to the sponsor.</p>	
13B	<p>Cambridge Financial Group has entered into agreements whereby an individual will solicit investment advisory accounts for the company. The individual will be compensated based upon a percentage of the investment advisory fee received by the company for each person who is solicited by that person and becomes a client of the company. No client introduced by this individual will be charged a fee in excess of normal advisory fees in order to assist in paying this individual's fee. This compensation will terminate if the client is no longer a fee-paying client of the company.</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)