



BFC Planning, Inc.
701 Tama St., Bldg. B
Marion, IA 52302
(319) 447-5700
www.berthel.com

Part 2A Appendix I of Form ADV
Wrap Fee Program Brochure

Date of Brochure: March 31, 2011

This wrap fee program brochure provides information about the qualifications and business practices of BFC Planning, Inc. (also referred to as “us”, “we”, “Berthel Fisher” or “BFCP” in this brochure). If you have any questions about the contents of this brochure, please contact the Managed Money Department at 319-447-5700 or managedmoney@berthel.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BFCP is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm’s information on this website by searching for BFC Planning, Inc. You may search for information by using the firm’s CRD number. The CRD number for BFCP is **119682**.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that BFCP provides to clients as required by applicable rules and regulations. This Disclosure Brochure dated March 31, 2011 is a new document prepared according to the new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Form ADV Part II and Schedule F did not require. In the future, this item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

In the past our firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Services, Fees & Compensation	4
Item 5 – Account Requirements & Types of Clients	7
Minimum Investment Amounts Required	7
Types of Clients	8
Item 6 - Portfolio Manager Selection and Evaluation	8
General Description of Primary Advisory Services.....	9
Limits Advice to Certain Types of Investments	10
Tailor Advisory Services to Individual Needs of Clients	11
Performance-Based Fees and Side-By-Side Management.....	11
Charting	12
Cyclical	12
Fundamental.....	12
Technical	12
Risk of Loss	13
Item 7 – Client Information Provided to Portfolio Managers	15
Item 8 – Client Contact with Portfolio Manager	15
Item 9 – Additional Information.....	16
Disciplinary Information.....	16
Other Financial Industry Activities or Affiliations	16
Third-Party Money Managers & Sub-Advisors	17
Code of Ethics Summary	18
Affiliate and Employee Personal Securities Transactions Disclosure	18
Account Reviews and Reviewers.....	18
Statements and Reports	19
Other Compensation.....	19
Solicitors – Referring Parties	20
CONSUMER PRIVACY NOTICE AND POLICY	22

Item 4 – Services, Fees & Compensation

The investment advisory services described below will be provided to you through an appropriately licensed (when required) and qualified individual who is an investment adviser representative of Berthel Fisher (referred to as your investment adviser representative throughout this brochure). Your investment adviser representative typically is not an employee of Berthel Fisher; rather, your investment adviser representative typically is an independent contractor of Berthel Fisher.

Your investment adviser representative is limited to providing the services and charging investment advisory fees in accordance with the descriptions detailed in this brochure. However, the exact services you will receive and the fees you will be charged are dependent upon your investment adviser representative and your geographic location.

Berthel Advisory Program is a wrap-fee program through which your investment adviser representative may provide investment management services, defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client, through brokerage accounts established through BFCP's affiliated broker-dealers, either Berthel Fisher & Company Financial Services, Inc. or Securities Management and Research, Inc., as introducing broker-dealers and cleared and held by the qualified custodian, National Financial Services, LLC (also referred to as NFS throughout this brochure). The decision to use NFS is made by your investment adviser representative.

Through this program, your investment adviser representative serves as the portfolio manager and is responsible for determining investment recommendations and implementing transactions. Under this program, your investment adviser representative actively manages your accounts in accordance with your individual needs, objectives and risk tolerance. Your investment adviser representative works with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

Upon receiving your written authorization, BFCP will maintain trading authorization over your designated account. Upon receiving your written authorization, BFCP may also implement trades on a **discretionary** basis. When discretionary authority is granted, BFCP will have the authority limited to determining the type of securities to be bought, sold or exchanged and the amount of securities that can be bought, sold or exchanged for your portfolio without obtaining your consent for each transaction.

If you do not grant this limited investment discretion, your investment adviser representative will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, BFCP will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You and your investment adviser representative may agree in writing that there are certain assets in your account, which will not be managed by or subject to advice from your investment adviser representative. Additionally, you are given the ability to impose restrictions on the accounts your investment adviser representative manages for you, including specific investment selections and sectors. These accounts may be managed on either a discretionary trading basis or non-discretionary trading basis as agreed to in writing by you and your investment adviser representative.

Various investment strategies are provided through this service; however, a specific investment strategy or investment policy is determined for each client to focus on the specific client's goals and objectives. Investment strategies and philosophies used within Berthel Advisory Program vary based on the investment adviser representative providing advice. Models and strategies used by one investment adviser representative may be different than strategies used by other investment adviser representatives. Some investment adviser representatives limit their advice to mutual funds and others will provide advice on a full range of securities that include equities, mutual funds, options, fixed income and other types of investments.

The annual fee for accounts managed through the Berthel Advisory Program is based on the amount of assets under management. The annual fee is negotiable and is subject to discounts on an investment adviser representative-to-investment adviser representative or account-by-account basis. These discounts may be a consideration for your investment adviser representative when choosing a platform to recommend.

- The maximum allowable fee that can be charged may not exceed 3.0% of assets under management on an annual basis.

Under this platform, fees may be charged in advance or in arrears and monthly or quarterly depending upon the written agreement between you and your investment adviser representative. BFCP calculated fees are on the basis of (i) the market value of the account(s) on the last day of the previous quarter if fees are billed in advance or on the last day of the quarter in which services were rendered if fees are billed in arrears, (ii) the average daily fair market value of the assets during each billing period, netting assets added against assets withdrawn during the period.

The exact fee and payment arrangement shall be agreed to in writing by you and BFCP prior to commencing services.

Fees are typically deducted directly from your designated account. You must provide the qualified custodian with written authorization to have fees deducted from the account and paid to BFC Planning, Inc. The qualified custodian will send you statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. You should verify the accuracy of fee calculations; the qualified custodian will not determine whether the fee has been properly calculated. Upon approval from BFCP and your investment adviser representative, certain clients may pay fees via direct invoice. For clients paying via invoice, fees shall be due upon client's receipt of the invoice.

Under the Berthel Advisory Program, your investment adviser representative may agree (only in writing) to include as the management fee the transaction ticket fees charged by BFCP's broker-dealer and the qualified custodian. In other words, asset management services and transaction/execution costs can be provided for one fee. Alternatively, your investment adviser representative could agree (only in writing) to provide asset management services under this program for a fee with transaction/execution costs billed separately to you on a per transaction basis. From an asset management perspective, there is not a fundamental difference in the way your account is managed except whether the transaction/execution costs are billed as a single fee with the asset management services or as separate fees for each transaction in addition to the asset management fee. However, the wrap fee arrangement as compared to a non-wrap fee arrangement could be more or less expensive for you depending upon how many transactions are executed in your account and the cost per transaction. Under certain circumstances, your investment adviser representative can make more compensation under a wrap fee basis than if you paid separately for asset management and execution services under this program or under other investment advisory services offered by BFC Planning, Inc. In other words, your investment adviser representative may have a financial incentive to recommend a wrap-fee over other billing arrangements or advisory services.

Without regard to whether your management fee is a wrap or non-wrap fee, you may incur other charges imposed by third parties other than BFCP in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity/insurance fees and surrender charges, and IRA and qualified retirement plan fees. A description of these fees and expenses are available in each security's prospectus.

Your investment adviser representative in his or her separate capacity as a registered representative of BFCP's broker-dealer may retain a portion of the commissions charged to you. These commissions may include mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Receiving these fees could represent an incentive for your investment adviser representative to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fee or lower fees. This creates a conflict of interest.

Our investment adviser representatives are required to only recommend mutual funds if such mutual funds are suitable and appropriate for fulfilling your objectives.

When managing ERISA and qualified accounts, your investment adviser representative must lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received by your investment adviser representative in his/her individual capacity as a registered representative of BFCP's broker-dealer.

Although we believe our fees are reasonable in relation to the services provided, you should be aware comparable services may be available from other sources. Fees for our services may be more or less than the cost of purchasing the same services separately through other investment advisors or through other programs offered by us.

The asset management services under the Berthel Advisory platform continue in effect until terminated by either party (i.e. BFCP or you) by giving written notice to the other party. Any prepaid, unearned fees will be promptly refunded by BFCP to you. Fees refunds will be determined on a pro-rata basis using the number of days services are actually provided during the final period. When fees are billed in arrears, BFCP will pro-rate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment. BFCP does not impose a termination fee; however, your accounts may be subject to a modest charge for reimbursement of fees and/or costs related to transferring the account.

Item 5 – Account Requirements & Types of Clients

Minimum Investment Amounts Required

Under the Berthel Advisory Program, there is a minimum investment amount of \$25,000 per household with \$10,000 minimum account size required for BFCP to provide asset management services.

Additionally, you are required to execute a written agreement with BFCP detailing each investment advisory service described above prior to your investment advisor representative commencing any work for such service.

Types of Clients

Under the Berthel Advisory Program, BFCP generally provides asset management to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Banks or thrift institutions
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with BFCP in order to establish a client arrangement with BFCP and participate in the Berthel Advisory Program.

Item 6 - Portfolio Manager Selection and Evaluation

Under Berthel Advisory Program, your investment adviser representative serves as the portfolio manager, and unaffiliated portfolio managers are not utilized in the Berthel Advisory Program. We do not have the conflict that is present in other wrap fee programs where both affiliated and unaffiliated portfolio managers are available since only your investment adviser representative can serve as the portfolio manager under this program. Since the Berthel Advisory Program does not provide for multitude of outside portfolio managers, we do not have procedures designed to select outside portfolio managers. However, this lack of other portfolio managers in itself is a conflict of interest since the only option under this program is for your investment adviser representative to serve as a portfolio manager for you.

BFCP does not calculate performance of your investment adviser representative as a portfolio manager under this program. In his or her capacity as a portfolio manager under this program, your investment adviser representative is not subject to a process similar to the due diligence selection process which is required by BFCP in selecting outside money managers and sub-advisors in its other investment advisory programs.

Many of the disclosures required in the Item 6 Wrap Fee Program Brochure instructions do not apply to this program since this program only utilizes investment adviser representatives of BFCP as portfolio managers. The disclosures that do apply are answered below.

General Description of Primary Advisory Services

The following are brief descriptions of the primary services of BFC Planning, Inc. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and us before we can provide you the service described below.

Financial Planning Services - We provide investment advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. Under this program, the role of your investment adviser representative as a financial planner is to find ways to help you understand your overall financial situation and help you set financial objectives.

Asset Management Services - We provide investment advisory services in the form of asset management services. Our asset management services involve providing clients with continuous and on-going supervision over designated accounts. Your investment adviser representative may provide asset management services to you through one or more of the following platforms: (1) Berthel Advisory Program through our affiliated broker-dealers; (2) Institutional RIA Platforms; (3) Variable Annuity/Variable Life Sponsors; (3) Managed Account Solutions; and (4) Sub-Advisory Platforms.

Outside Money Managers – We provide advisory services by referring you to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisers. Third-party money managers are responsible for continuously monitoring your designated account and making trades for your account when necessary.

Investment Company Management Services – We provide investment advisory services by serving as an investment adviser to Berthel Growth & Income Trust I (also referred to as the Fund throughout this brochure), which is registered as an investment company under the Investment Company Act of 1940. Berthel Growth & Income Trust I is in a liquidation phase and does not accept new investments.

Limits Advice to Certain Types of Investments

With some exceptions, your investment adviser representative is typically available to offer advice on most types of investments owned by you and, at your specific request, will explore investment options not currently owned by you. However, your investment adviser representative is not permitted to provide advice on futures contracts.

Your investment adviser representative is typically available to provide investment advice on the following types of investments.

1. No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
2. Exchange-listed securities (i.e. stocks)
3. Securities traded over-the-counter (i.e. stocks)
4. Fixed income securities (i.e. bonds)
5. Closed-End Funds and Exchange Traded Funds (ETFs)
6. Foreign Issues
7. Warrants
8. Corporate debt securities (other than commercial paper)
9. Commercial paper
10. Certificates of deposit
11. Municipal securities
12. Variable life insurance
13. Variable annuities
14. United States government securities
15. Options contracts on securities and commodities
16. Interests in partnerships investing in real estate, oil and gas interests
17. Private Placements and Non-Publicly Traded REITs

We do not provide advice on hedge funds, futures contracts on tangible and intangible, and do not affect transactions in commodities futures, or commodity options.

When providing asset management services, we will typically construct each client's account holdings using stocks, mutual funds and ETFs to build diversified portfolios. It is not our typical investment strategy to attempt to time the market, but we may increase or decrease cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

BFCP may provide advice regarding real estate investment trusts (REITs) and real estate partnerships. Some of the REITs that are the subject of Berthel Fisher's advisory services are not publicly traded. In other words, the lack of an active secondary market for the sale of such REITs can limit a client's ability to dispose of such investments in a timely manner and at an advantageous price. Consequently, a client should exercise caution to avoid over-concentration of their assets in these illiquid investments. It is likely the price of a REIT listed on your account statement provided by a custodian only reflects the original purchase price and does not reflect any price or value from a secondary market, a repurchase offered by the sponsor or the book value. It is possible that the actual value of the REIT on a secondary market or through a repurchase by a sponsor is significantly less than the original purchase price shown on the account statement provided by the custodian.

Tailor Advisory Services to Individual Needs of Clients

Our asset management are always provided based on your individual needs. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

Performance-Based Fees and Side-By-Side Management

BFCP **does not charge nor accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Methods of Analysis in Formulating Investment Advice

Our investment adviser representatives use various methods of analysis and investment strategies. Methods and strategies will vary based on the investment adviser representative providing advice. Models and strategies used by one investment adviser representative may be different than strategies used by other investment adviser representatives. Some of our investment adviser representatives may use just one method or strategy while other investment adviser representatives may rely on multiple methods or strategies. BFCP does not require or mandate a particular investment strategy be implemented by all of our investment adviser representatives. Further, BFCP has no requirements for using a particular analysis method and our investment adviser representatives are provided flexibility (subject to Berthel Fisher's supervision and compliance requirements) when developing their investment strategies. The following sections provide brief descriptions of the some of the more common methods of analysis and investment strategies that are used by our investment adviser representatives.

To the extent your investment adviser representative's primary strategy involves frequent trading of securities, the frequent trading of securities may have a positive or negative impact on investment performance depending upon whether you have a wrap-fee billing arrangement with your investment adviser representative. Performance from active trading can be lowered due to an increase in brokerage and other transaction costs.

Charting - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

Fundamental - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Investment Strategies When Managing Client Assets

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Trading - Investments sold within 30 days.

Short sales - A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions - When you buy a stock on margin, you pay for part of the purchase and borrow the rest from the qualified custodian such as National Financial Services or Pershing. For example, an investor may buy \$5,000 worth of stock in a margin account by paying \$2,500 and borrowing \$2,500 against his or her account. You cannot borrow stock or funds from Berthel Fisher.

Options - Option writing including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical asset allocation - Allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation - Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When you invest in an ETF or mutual fund, you will bear additional expenses based on its pro rata

share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

- **Management Risk** – Your investment varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Voting Client Securities

BFCP will not vote proxies on behalf of your account. We have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by BFC Planning, Inc.

Clients will receive proxies directly from their qualified custodian or transfer agent and such documents will not be delivered by our firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact your investment adviser representative.

Item 7 – Client Information Provided to Portfolio Managers

Because only investment adviser representatives of BFCP serve as portfolio managers for this program, your representative is responsible for gathering all information provided by you. Your investment adviser representative interviews and works with you to gather all information needed relative to your investment objectives and needs in order to provide management services through this program. You are responsible for promptly contacting your investment adviser representative to notify of us any changes to your financial situation that can impact or materially influence the way your investment adviser representative manages your designated account.

Item 8 – Client Contact with Portfolio Manager

Because only investment adviser representatives of BFCP serve as portfolio managers for this program, there are no restrictions placed on your ability to contact and consult with us. It is our policy to provide open communications. You are encouraged to contact your investment adviser representative whenever you have questions about management of your designated account.

Item 9 – Additional Information

Disciplinary Information

This item is not applicable to BFCP because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions for BFCP or its management.

Other Financial Industry Activities or Affiliations

BFCP is **not** and does **not** have a related company that is a (1) “hedge fund,” and offshore fund, (2) futures commission merchant, commodity pool operator, or commodity trading advisor, or (3) banking or thrift institution.

Our Affiliated Broker-Dealers – Berthel Fisher & Company Financial Services, Inc. and Securities Management and Research, Inc.

BFCP has two affiliated firms, Berthel Fisher & Company Financial Services, Inc. and Securities Management and Research, Inc., which are both registered as an investment adviser and broker/dealer.

BFCP is under common ownership with Berthel Fisher & Company Financial Services, Inc. BFCP and Berthel Fisher & Company Financial Services, Inc. are owned by Berthel Fisher & Company, which a majority interest is owned by FBL Financial Group, Inc. and Thomas J. Berthel, who is also Chief Executive Officer of Berthel Fisher, Berthel Fisher & Company Financial Services, Inc. and Berthel Fisher & Company.

Similarly, BFCP and Securities Management and Research, Inc. are under common ownership. Securities Management and Research, Inc. is owned by One Financial, Inc., which is a wholly owned subsidiary of Berthel Fisher & Company, which a majority interest is owned by FBL Financial Group, Inc. and Thomas J. Berthel, who is the Chief Executive Officer of both Berthel Fisher, Securities Management and Research, Inc., and Berthel Fisher & Company.

Your investment adviser may be licensed to sell securities in the capacity as a registered representative with one of our two affiliated broker-dealers, Berthel Fisher & Company Financial Services, Inc. or Securities Management and Research, Inc. Your investment adviser representative, acting in his or her separate capacity as a registered representative of our affiliated broker-dealer, may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to investment advisory clients. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based account introduced through our affiliated broker-dealer in addition to an investment advisory account. In the event that you elect to purchase these products through our affiliated broker-dealer, your investment adviser, in the capacity as registered representative, and our affiliated broker-dealer will receive the normal and customary commission compensation in

connection with the specific product purchased. BFCP does not require your investment adviser representative to encourage you to implement investment advice through our affiliated broker-dealer. You are free to implement investment advice through any broker/dealer or product sponsor you may select. However, please understand that, due to certain regulatory constraints, your investment adviser representative, in the capacity as a dually registered representative, must place all purchases and sales of securities products in commission-based brokerage accounts through our affiliated broker-dealer.

In certain transactions, at the same time that BFCP acts as investment adviser to a client, our affiliated broker-dealer may act as a broker for you and for another party on the other side of the transaction ("Agency Cross-Transactions"). BFCP and our affiliated broker-dealer may receive compensation from each party to such transactions and have a potentially conflicting division of loyalties and responsibilities regarding both parties to such transactions. In the event that BFCP desires to act as a broker and/or investment adviser and participate in Agency Cross-Transactions on behalf of you, BFCP will obtain written consent from you prior to participating in an Agency Cross-Transition. This consent may be revoked at any time by written notice to Berthel Fisher.

Berthel Fisher & Company Insurance, Inc.

BFCP is under common ownership with Berthel Fisher & Company Insurance, Inc., a licensed insurance agency. Your investment adviser representative may be licensed as a life insurance agent with Berthel Fisher & Company Insurance, Inc. or another agency and may sell insurance and annuity products to you. In the event that you buy life insurance or an annuity through your investment adviser representative in his or her separate capacity as an insurance agent, your investment adviser representative will receive separate and typical compensation for the insurance or annuity sale. You are not obligated to utilize your investment adviser representative in his or her separate capacity as an insurance agent for life insurance or annuity transactions.

Berthel Growth & Income & Trust

BFCP is the investment adviser to Berthel Growth & Income Trust, which may have been included in the portfolios of certain clients. Berthel Growth & Income Trust I is in a liquidation phase and does not accept new investments.

Third-Party Money Managers & Sub-Advisors

BFCP has developed several programs designed to allow your investment adviser representative to recommend and select unaffiliated investment advisers for clients. The selected unaffiliated investment advisers will act as either an outside money manager, sub-adviser or sub-manager. Whenever another investment adviser is selected to manage all or a portion of your assets, the outside investment adviser will be

paid a portion of the fees you are charged and BFC Planning, Inc. and your investment adviser representative will also receive a portion of the fees you are charged.

Code of Ethics Summary

SEC Rule 204A-1 under the Investment Advisers Act of 1940 requires an investment adviser to establish, maintain and enforce a code of ethics. BFCP has established a code of ethics that will apply to all of our supervised persons. An investment adviser is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. BFCP has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for BFCP's code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. BFCP requires all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with BFCP's code of ethics. BFCP has the responsibility to make sure that the interests of all clients are placed ahead of BFCP's or our supervised person's own investment interests. Full disclosure of all material facts and potential conflicts of interest will be provided to you prior to any services being conducted. BFCP and our supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of BFCP's code of ethics. Clients may review the BFCP's code of ethics in its entirety upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

BFCP or our associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of BFCP that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. BFCP and our associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by BFCP typically are widely held and publicly traded.

Account Reviews and Reviewers

Your investment representative is in charge of conducting on-going reviews of your accounts subject to this program. Therefore, you will need to contact your investment adviser representative for the most current information and status of your accounts.

For accounts under this program, reviews are provided on an on-going basis; typically based on a schedule agreed upon by you and your investment adviser representative. BFCP does not impose a specific review schedule that all investment adviser representatives must follow. Generally the calendar is the main triggering factor for client reviews. However, more frequent reviews may be provided to any account depending on, among other issues, changes to your financial situation, personal situation or changes in market conditions.

Your accounts under this program are reviewed by your investment adviser representative to analyze if the account is being managed in accordance with your chosen investment objective, that the account is properly balanced, if it is being managed according to a specific asset allocation model, and to verify the accuracy of account holdings and fee deductions.

Your investment adviser representative will generally contact you at least annually, or on a schedule agreed upon by you and your investment adviser representative, to discuss changes in your goals, investment objectives, and personal and financial situation.

BFCP encourages you to request a review with your investment adviser representative to discuss such things as account performance, changes in your investment objectives, goals, and financial situation, tax planning, estate planning, retirement planning and any other questions you may have concerning their investment portfolio.

Statements and Reports

Under this program, you are provided with transaction confirmation notices and regular summary account statements directly from the qualified custodian.

You are encouraged to always compare any reports or statements provided by BFCP or your investment adviser representative against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact BFCP and the qualified custodian preparing the statement.

Other Compensation

Your investment adviser representative, in his or her separate capacity as a registered representative of our affiliated broker-dealers may receive commissions from the execution of securities transactions. In addition, your investment adviser representative may receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for your investment adviser representative to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. When managing ERISA and qualified accounts, your investment adviser representative must lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the

event such types of compensation are received by your investment adviser representative in their individual capacity as registered representative of Berthel Fisher & Company Financial Services, Inc.

Your investment adviser representative may also be licensed as an insurance agent, including those approved to conduct business under BFCP's affiliated insurance agency, Berthel Fisher & Company Insurance, Inc., and receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of this compensation may affect the judgment of your investment adviser representative when recommending insurance products to you.

While your investment adviser representative endeavors at all time to put the interests of you first, the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect the judgment of your investment adviser representative when making recommendations. In addition to the economic benefits, including assistance and services, detailed above, our affiliated broker-dealers enter into specific arrangement with product sponsors and other third parties. Your investment adviser representative may offer a wide variety of products and programs including mutual funds, annuities, life insurance, and investment wrap programs (collectively referred to as "Approved Product Companies"). BFCP and our affiliated broker-dealers may have entered into various arrangements with some Approved Product Companies referred to as revenue sharing arrangements. Although BFCP and affiliated broker-dealers endeavor at all times to put the interest of our clients ahead of our own or those of our officers, directors, or representatives ("affiliated persons"), these arrangements could affect the judgment of BFCP or our affiliated persons when recommending investment products. These situations present a conflict of interest that may affect the judgment of our affiliated persons.

For additional information on a particular product's payment and compensation practices, please see the prospectus, offering documents or statements of additional information.

Solicitors – Referring Parties

BFCP may enter into arrangements with individuals ("Solicitors") who will refer clients that may be candidates for investment advisory services to BFC Planning, Inc. In return, BFCP agrees to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with BFCP. Compensation to the Solicitor will be an agreed upon percentage of BFCP's investment advisory fee or a flat fee depending on the type of advisory services BFCP provides to clients.

It should be noted that not all investment adviser representatives of BFCP work with Solicitors. In fact, most investment adviser representatives of BFCP do not use Solicitors.

All solicitation/referral fees are paid pursuant to a written agreement retained by both BFCP and the Solicitor. Solicitors are required to provide client with a copy of Berthel Fisher's Form ADV Part 2 and a Solicitor Disclosure Document at the time of solicitation and the Solicitor will provide BFCP with an acknowledgement from the client of receiving those disclosures. Acknowledgement must be obtained prior to or at the time of entering into any investment advisory contract with BFC Planning, Inc. Solicitors are not permitted to offer clients any investment advice on behalf of BFC Planning, Inc. The advisory fee charged to clients may increase as a result of compensation being shared with the Solicitor.

Banks

BFCP's affiliated broker dealers, Berthel Fisher & Company Financial Services, Inc. and Securities Management and Research, Inc., have established and will continue to establish marketing arrangements with banks and other depository institutions. In certain circumstances, investment advisory services of BFCP may also be marketed through these banks and other depository institutions, provided that such marketing is done in compliance with applicable SEC and state regulations. Further, BFCP may have investment adviser representatives conducting business from and/or affiliated with a bank or other depository institution. These relationships create compliance issues relative to consumer protection.

The joint guidelines of regulators of the depository institution call for at a minimum both written and verbal disclosure at or prior to the time securities products are purchased or sold that such securities products:

- Are not insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund, the Federal Deposit Insurance Corp., the National Credit Union Administration, or any other federal or state deposit guarantee fund or other government agency;
- Not endorsed or guaranteed by the bank or credit union or their affiliates;
- Are not deposits or obligations of the depository institutions and are not guaranteed by the depository institutions;
- Investments and securities are subject to investment risks, including possible loss of principal invested.

Financial Information

BFCP does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

CONSUMER PRIVACY NOTICE AND POLICY

You are receiving this Privacy Notice from BFC Planning, Inc. ("BFCP"), and on behalf of the Registered Representatives who are associated with Berthel Fisher & Co. Financial Services, Inc. ("Representative") because you are either a customer of BFCP or are considering becoming one. This notice describes our practices concerning the handling of your personal information.

SECURITY STANDARDS

BFCP is constantly attempting to update and improve its security standards and procedures to help protect against disclosure of information to unauthorized parties. Only those persons who need to do so as part of their job responsibilities are authorized to have access to your information. We train our employees on privacy and information security and on their obligations to protect your information.

INFORMATION WE GATHER AND SHARE WITH OTHER COMPANIES

We do collect and retain nonpublic personal information about you, including information we receive from you or your Representative, such as your name and address, tax identification number, account balances, financial information, servicing information and brokerage activity.

While we do not sell any information to any third parties, we may disclose nonpublic personal information about you to affiliates, Representatives or to third party firms we may retain for clearing, accounting, legal or computer services and as permitted by law. We are selective in choosing these companies and we restrict the information we provide them to only what they need to do their job. They are not permitted to use the information for any purpose other than to assist the servicing of your accounts or as permitted by law and they are not permitted to release this information, use it for their own purposes or transfer it to any other party. If you close your account or if your Representative elects to change broker-dealers, your Representative will be permitted to retain copies of your non-public information to assist with the timely transfer of your account and to continue to serve you at the new firm. If you do not want your Representative to transfer this information, please contact 1-(800)-356-5234 to opt out of this information sharing.

MAINTAINING ACCURATE INFORMATION

We strive to maintain complete and accurate information about you and your accounts. If you ever believe that our records contain inaccurate or incomplete information about you, or you believe we have reported information about you which we should not have done, please let us know immediately. We will investigate your concern and correct any inaccuracies we find and will confirm with you, any actions we take.

Please send your notice to:

BFC Planning, Inc.
701 Tama Street, Building B
Marion, Iowa 52302
1-800-356-5234