

LAKESIDE WEALTH MANAGEMENT GROUP, LLC

FIRM BROCHURE



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This brochure provides information about the qualifications and business practices of Lakeside Wealth Management Group, LLC. If you have any questions about the contents of this brochure, please contact us at (219) 926-1182.

Lakeside Wealth Management Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Lakeside Wealth Management Group, LLC is available on the SEC's website, www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the adviser is 140271.

2. MATERIAL CHANGES

The firm's brochure was last updated November 22, 2011. Since that update the firm added a new investment strategy titled the Covered Call Strategy. A description of the strategy can be found on Page 5 under Item 4.B.ii.

TABLE OF CONTENTS

Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	6
Item 6. Performance-Based Fees and Side-By-Side Management	10
Item 7. Types of Clients	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9. Disciplinary Information	12
Item 10. Other Financial Industry Activities and Affiliations	13
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12. Brokerage Practices	15
Item 13. Review of Accounts	17
Item 14. Client Referrals and Other Compensation.....	18
Item 15. Custody	18
Item 16. Investment Discretion	18
Item 17. Voting Client Securities.....	19
Item 18. Financial Information.....	19

4. ADVISORY BUSINESS

A. OWNERSHIP/ADVISOR HISTORY

Lakeside Wealth Management Group, LLC was formed in March 2006 by its members Mark Chamberlain and Timothy Rice. It is an Indiana limited liability company. It was registered as an Indiana investment adviser in July 2006. Due to rapid growth it became registered with the Securities and Exchange Commission on April 27, 2007.

B. ADVISORY SERVICES OFFERED

Prior to the Adviser Client relationship, the firm may offer a complimentary general consultation to discuss services available and to give a prospective client time to review services desired. Investment advisory services begin only after the client and firm formalize the relationship with a properly executed client Agreement.

After engaging the firm, the client will be asked to share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested.

The following services are offered by the firm:

i. FINANCIAL PLANNING SERVICES

The firm offers clients financial planning services to evaluate their financial situation, goals and risk tolerance. Through a series of personal interviews and the use of questionnaires, the firm will collect pertinent data, identifying goals, objectives, financial problems, potential solutions and prepare specific recommendations and implement recommendations. As a result of these actions, the firm's advice may be provided on financial and cash management, risk management, financial issues relating to divorce or marital issues, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as identified by the client and firm. The firm may offer comprehensive planning services or the client may desire advice on certain planning components; the firm can tailor services as desired by the client. At the conclusion of the financial planning service the firm shall present the client with a written financial plan.

The firm offers comprehensive financial planning services under our Lakeside Integrated Wealth System. This system is a comprehensive financial planning program that allows our clients to collaborate with their advisor to create their financial plan and have daily internet access to all of their personal accounts on an aggregate basis. This access allows clients to view their assets with Lakeside and many assets outside of Lakeside on one platform. The client also has the option of giving limited and secure access to their other advisors such as CPA's and Attorney's.

ii. PORTFOLIO MANAGEMENT SERVICES

The firm manages client accounts on a portfolio basis. After meeting with the client, the firm may recommend one or more of its portfolios, which are described as follows:

Growth Model

This model portfolio seeks to achieve long-term capital appreciation. This model will typically have assets that are more invested in the equity asset class than a moderate model portfolio. This model will typically have greater than 70% of its assets invested in equities and the balance invested in fixed income securities or money market instruments.

Moderate Model

This model portfolio seeks to achieve long-term capital appreciation and current income. This model will typically have assets that are more invested in the equity asset class than a conservative model portfolio. This model will typically have 50% to 70% of its assets invested in equities and the balance invested in fixed income securities or money market instruments.

Conservative Model

This model portfolio seeks to achieve long-term capital appreciation and current income. This model will typically have assets that are less invested in the equity asset class than a moderate model portfolio. This model will typically have 30% to 50% of its assets invested in equities and the balance invested in fixed income securities or money market instruments.

Capital Preservation

This model portfolio seeks to achieve preservation of capital and current income. This model will typically have assets that are less invested in the equity asset class than a conservative model portfolio. This model will typically have less than 30% of its assets invested in equities and the balance invested in fixed income securities or money market instruments.

Income Model

This model portfolio seeks to achieve long-term capital appreciation and current income. This model will typically have assets that are invested in securities that produce current income. This model will typically have its assets invested in dividend-paying equities and the balance invested in fixed income securities or money market instruments.

Covered Call Strategy Model

This model portfolio seeks to achieve current income and reduced volatility. This model will typically hold long equity securities and simultaneously written short call options against the underlying equity holdings or “covered calls.” The portfolio may also periodically utilize exchange-traded funds as part of the overall model strategy. This model will typically have its assets invested in dividend-paying equities that have been screened based on pre-determined criteria. This model portfolio may also utilize put or call options to hedge the portfolio positions. The balance of the account, not invested in covered calls, may be invested in cash, short-term fixed income securities, or money market instruments.

iii. QUALIFIED PLAN CONSULTING SERVICES

For business clients, the firm offers qualified plan consulting services. The firm offers a variety of services to the qualified plan's trustee. These services include but are not limited to: due diligence document creation, investment policy statement development and drafting, research on investment manager, investment monitoring, participant education services, request for statement of qualification services and request for proposal services. The firm works with the qualified plan's trustee to tailor a program specifically for that plan.

C. TAILORED SERVICES

As described above, all of the firm's services are tailored to a client's needs, goals and objectives.

D. WRAP PROGRAM

The firm does not sponsor or participate in a wrap program. This section is not applicable.

E. CLIENT ASSETS MANAGED

As of March 29, 2011, the firm manages¹ \$100,200,000 on a discretionary basis. It also provides various levels of advice on \$180,000,000 in qualified plan accounts.

5. FEES AND COMPENSATION

A. FINANCIAL PLANNING SERVICES

Financial planning services are provided on an hourly fee basis or fixed fee schedule:

Hourly Fee: The firm assesses an hourly rate not to exceed \$500 an hour for consulting related financial planning services. The minimum hourly planning fee is \$150. The number of hours will vary depending upon the complexity of the financial situation, the estimate of hours involved, including preparation and research, areas to be specified and estimated in the written agreement for services. The hourly fee can be negotiated with the client. All fees for planning services are agreed upon in advance in writing and due at that time. For prepaid fees in excess of \$500, services will be completed within six months of the date fees are received.

Comprehensive Financial Planning Fee: The firm assesses a one-time fee ranging from \$1500.00 to \$20,000. The number of hours will vary depending upon the complexity of the financial situation, the estimate of hours involved, including preparation and research, areas to be specified and estimated in the written agreement for services. The comprehensive planning fee can be negotiated with the client.

¹ Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV.

Termination of Financial Planning Services

A Client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to the firm at Lakeside Wealth Management Group, LLC, 407 West Indiana Avenue, Chesterton, IN 46304. Upon notice of termination, hourly financial planning fees will be prorated based upon the number of hours that services were rendered. For comprehensive financial planning services, fees will be pro-rated based on a percentage of work completed on the financial plan and not for termination of access to the Lakeside Integrated Management System.

B. PORTFOLIO MANAGEMENT SERVICES

Fees for portfolio supervisory services will be a percentage of the assets under management, and clients pay periodic investment management fees. Fees will be calculated, accrued and due quarterly in advance using the annualized rates below.

<u>Fair Market Value of Account</u>	<u>Setup Fee</u>	<u>Management Fee</u>
Up to \$250,000	\$100	1.85%
\$250,001 to \$500,000	\$100	1.60%
\$500,001 to \$1,000,000	\$100	1.35%
\$1,000,001 to \$2,000,000	\$100	1.10%
\$2,000,000 and over	\$100	Negotiable

Clients whose investments are 100% in our Capital Preservation Model may be charged as follows:

<u>Fair Market Value of Account</u>	<u>Setup Fee</u>	<u>Management Fee</u>
Up to \$1,000,000	\$100	1.00%
\$1,000,001 to \$2,000,000	\$100	0.75%
\$2,000,001 and over	\$100	Negotiable

The setup fee and the initial quarter's management fee (or pro-rata portion) are billed in arrears at the beginning of each new quarter. Subsequently, the management fee is billed quarterly and will be charged in advance and calculated on the account's quarter-end value as reported by the account's custodian. New contributions to the account will be billed in arrears at the beginning of the next quarter on a pro-rata basis for deposits in excess of \$9,999.00 cumulatively over the prior quarter. Notwithstanding the account's quarter-end value, the minimum annual fee table is stated in the client's Investment Management Agreement. Cash balances and investments in money market funds, demand deposit accounts, and certificates of deposit are covered by the account and are included in the fee calculations.

Under some circumstances the firm's fees may be lower than the rate schedule. Accordingly, rates may vary based on a variety of factors. For example, in determining fees, rates, and minimums, the firm may aggregate related accounts and, for billing purposes, treat them like one

account.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any portion of the funds under advisory contract. Fees for services to be performed will not be collected six or more months in advance. Fees are billed directly to the custodian, payable quarterly in advance.

For accounts where Pershing Advisor Solutions is the custodian, the amount of the fee charged will be viewable as account activity in the monthly statement of the month following quarter-end. A client may object to the deduction of fees from the account by notifying the adviser or by notifying the custodian.

The firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisers or other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the firm's fees and the firm does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that the firm considers in selecting or recommending broker/dealers for *Client* transactions and determining the reasonableness of their compensation (e.g., commissions).

The firm may from time to time unilaterally amend our fees and billing arrangements. Any change will only become effective after thirty (30) days prior written notice. The fees for these portfolios are not based on the financial performance or capital gains or losses experienced by the account.

Termination of Portfolio Management Services

A client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to the firm at Lakeside Wealth Management Group, LLC, 407 West Indiana Avenue, Chesterton, IN 46304. Upon written notice of termination, fees will be prorated for the number of days that services were rendered based on the account's valuation as of the termination date.

Partial Withdrawal of Assets

A client may receive a credit for a partial withdrawal of funds in excess of \$10,000 any time by giving ten (10) days written notice to the firm at Lakeside Wealth Management Group, LLC, 407 West Indiana Avenue, Chesterton, IN 46304. Upon written notice of withdrawal, fees will be

prorated for the number of days that services were rendered based on the account's valuation as of the withdrawal date.

C. QUALIFIED PLAN CONSULTING SERVICES FEE

The firm and client shall negotiate either a percentage of assets under management fee or a fixed fee.

Asset-Based Fees

Asset-based fees computed on an annual charge on the total assets of the plan will be billed and paid quarterly in advance. The asset-based fees range from an annual rate of .05% to 1.85%. The asset-based fee range varies and is dependent on the size of assets in the qualified plan, the number of participants in the qualified plan, the estimate of hours involved, and the services to be provided. The actual fee shall be stated in the Qualified Plan Consulting Services Agreement.

The pro-rated first quarter's management fee will be calculated on the plan's value as reported by the plan's custodian. Thereafter, the management fee will be calculated on the plan's preceding quarter-end value as reported by the plan's custodian.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any portion of the funds under advisory contract. Fees for services to be performed will not be collected six or more months in advance. Fees are billed directly to the custodian. If the Adviser terminates the agreement prior to the end of the quarter, a pro-rata refund of unearned fees will be made to the client.

Fixed Fees

The fixed fee charged for Qualified Plan Consulting Services start at \$2,500. The fixed fee range varies and is dependent on the size of assets in the qualified plan, the number of participants in the qualified plan, the estimate of hours involved, and the services to be provided.

Termination of Qualified Plan Consulting Services

A Client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the client's contract section 8.a will control how it is terminated.

D. OTHER SECURITIES COMPENSATION

The firm is not associated with any other securities firms, investment adviser or broker/dealer. It does not receive any other form of securities-related compensation.

However, the firm's representatives are registered representatives of First Allied Securities, Inc. ("FASI"), a registered broker/dealer, and investment adviser representatives of First Allied Advisory Services, Inc. ("FAASI"), a registered investment adviser. As registered representatives and investment adviser representatives, they can sell securities and advisory services to clients that are separate from their services as investment adviser representatives of

the firm. Sales as registered representatives and investment adviser representatives pay a commission or a fee that is separate from the firm's fees outlined above. This could create a conflict of interest because it creates a financial incentive to recommend investment products based on compensation, rather than on a client's need. The firm and its representatives address the conflict of interest by telling clients when they are acting as registered representatives of FASI, investment adviser representatives of FAASI, or as investment adviser representatives of the firm. They have also implemented a Code of Ethics and other policies and procedures to address the conflict. Finally, when receiving a recommendation to purchase other investment products, clients always have the option to purchase the investment products through other brokers or agents that are not affiliated with the firm.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The firm does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). This section is not applicable.

7. TYPES OF CLIENTS

The firm's services are offered to individuals, trusts, estates, charitable organizations, pension plans, corporations and other businesses entities.

The firm requires a minimum account size of \$250,000 (two hundred fifty thousand dollars) for portfolio management services. Minimum account size exceptions may be made, solely at the firm's discretion, based on such factors as prior or anticipated investment activity. The firm may aggregate related accounts in the same household in determining whether the account minimum has been met and in calculating the rate applicable to its fees. Minimums, including the minimum planning fee of \$500, may be negotiated.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Advisers are required to give a description of their methods of analysis and investment strategies that are used in formulating investment advice or managing assets.

Methods of Analysis:

Fundamental Analysis – Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements

Technical Analysis – Technical Analysis is 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.

Asset Allocation – Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon.

Investment Strategies we use:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Periodic rebalancing

B. INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While we recommend various securities that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them.

We strive to render our best judgment on behalf of our clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

C. RECOMMENDED SECURITIES AND THEIR RISKS

The firm recommends several types of securities to its clients. These include but are not limited to mutual funds, stocks, bonds, certificates of deposit, commercial paper, municipal securities, options, variable annuities, variable life insurance, structured products, non-traded real estate investment trusts and exchanges traded funds. An investment in a security could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. The risks associated with the recommended securities include but are not limited to:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Manager risk:** The chance that poor security selection will cause a mutual fund or other managed product to underperform relevant to benchmarks or other securities products with similar investment objectives.
- **Active management fees risk:** Active management strategies that involve frequent trading generate higher transaction costs which diminish the fund's return. In addition, the short-term capital gains resulting from frequent trades often have an unfavorable income tax impact when such funds are held in a taxable account.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

Clients need to ask questions about risks they do not understand. The Adviser would be pleased to discuss them.

9. DISCIPLINARY INFORMATION

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this item for ten years following the date of the event unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events that need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten

years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have no information applicable to this item because we have never been the subject of any administrative, civil, criminal or self-regulatory proceedings.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. BROKER-DEALER AFFILIATIONS

The owners and investment adviser representatives of the firm are also registered representatives of First Allied Securities, Inc., a broker/dealer. The amount of time spent on this activity varies with each person and is disclosed in his/her ADV Part 2B. The sale of securities as a registered representative is considered investment related and the purchase of securities products may be recommended to a client. It also pays commissions that are separate from the fees described above. With the ability to work as a client's registered representative and investment adviser representative, this could be viewed as a conflict of interest because each service pays a separate fee or commission. However, the firm and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own and through the implementation of policies and procedures that address the conflict.

B. FUTURES/COMMODITIES FIRM AFFILIATION

The Firm, its owners and investment adviser representatives are not affiliated with a futures or commodities broker.

C. OTHER INDUSTRY AFFILIATIONS

The owners and investment adviser representatives of the firm are also independent insurance agents (Life, Health and Long-Term Care Licensed). The amount of time spent on this activity varies with each person and is disclosed in his/her ADV Part 2B. The sale of insurance products is considered investment related and the purchase of insurance products may be recommended to a client. It also pays commissions that are separate from the fees described above. With the ability to work as a client's insurance agent and investment adviser representative, this could be viewed as a conflict of interest because each service pays a separate fee or commission. However, the firm and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own and through the implementation of policies and procedures that address the conflict.

The owners and investment adviser representatives of the firm are also investment adviser representatives of First Allied Advisory Services, Inc. ("FAAS"), a registered investment adviser. The amount of time spent on this activity varies with each person and is disclosed in his/her ADV Part 2B. This registration allows the owners and investment adviser representatives to offer the firm's client investment adviser services of FAAS, which may be recommended to

the firm's clients. The fees for this service are separate from the fees described above. With the ability to work as an investment adviser representative of FAAS and the firm, this could be viewed as a conflict of interest because each service pays a separate fee. However, the firm and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own and through the implementation of policies and procedures that address the conflict.

The firm's investment adviser representative, Thomas Krafft is an Indiana licensed certified public accountant. Mr. Krafft owns an accounting firm, Krafft & Company P.C. He may recommend and/or provide accounting and/or tax preparation services to clients. This service pays him fees that are separate from his investment adviser fees described in Item 5, which causes a conflict of interest because it creates a financial incentive to recommend the accounting services. However, Mr. Krafft attempts to mitigate any conflicts of interest to the best of his ability by placing the client's interests ahead of his own through his fiduciary duty. It is also the firm's policy that clients are not required to use Mr. Krafft as their accountant.

D. SELECTION AND MONITORING OF THIRD PARTY INVESTMENT ADVISERS

The firm has entered into an agreement with a separately managed accounts platform called Envestnet. Envestnet offers the firm an integrated, web-based platform that provides access to over 500 leading institutional asset managers. The firm may recommend one or more adviser on the Envestnet platform to a client. The firm will monitor each client's account held by the Envestnet platform. In addition to signing the firm's investment management agreement, the client will be asked to sign a special SSG/Envestnet application that will disclose SSG/Envestnet fee. The SSG/Envestnet fee will range from .10% to .75% annually depending on the institutional managers selected. This fee is paid directly to the institutional manager selected. At no time will the firm receive a portion of the SSG/Envestnet fee. The firm's fee for this service is the same as those outlined in Item 5.A, above. The client will also be responsible for all transaction fees or ticket charges.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. DESCRIPTION

The firm's Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. The firm will provide a copy of our Code of Ethics to any client or prospective client upon request.

The firm's Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among

other things. All supervised persons at the firm must acknowledge the terms of the Code of Ethics annually, or as amended.

B. MATERIAL INTEREST IN SECURITIES

The firm and its owners and investment adviser representatives do not recommend the purchase or sale of securities in which they have a material financial interest.

C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES

On occasion, the firm's owners and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different than those that they recommend to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. The firm attempts to mitigate the conflict of interest to the best of its ability through the enactment of the firm's code of ethics, trading policies, and its fiduciary responsibilities. Nonetheless, the firm generally attempts to place client transactions ahead of proprietary trades. The associates of the firm are aware of their fiduciary duty to their clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by the firm, available to regulators to review on the premises.

12. BROKERAGE PRACTICES

A. RECOMMENDATION CRITERIA

As part of its investment management discretion, the firm has discretion to choose the client's custodian. The firm uses Pershing Advisor Solutions, LLC ("PAS") as the custodian for its client accounts. PAS is also the brokerage firm that the firm uses to execute the client's equity transaction. With respect to fixed income transactions (i.e. bonds) the firm researches prices at PAS and another brokerage firm, Incapital LLC. When the firm is able to obtain a better price for the client it will execute the fixed income transaction at Incapital LLC. This will result in a "trade-away" fee of \$25.00 assessed by PAS as the custodian of the client's account. The "trade-away" fee is in addition to any ticket charges or brokerage commissions charged by Incapital LLC. The firm does not receive any portion of the "trade-away" fee, ticket charge or brokerage commissions assessed by Pershing Advisor Solutions, LLC or Incapital LLC.

The firm recognizes its fiduciary responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of its clients.

i. RESEARCH AND SOFT DOLLAR BENEFITS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to

pay for these types of services. The firm does not receive “soft dollars” from any vendor, service provider or custodian in exchange for its placement of brokerage services.

ii. BROKERAGE FOR CLIENT REFERRALS

The firm does not receive client referrals or any other incentive from Pershing Advisor Solutions, LLC or Incapital LLC.

iii. DIRECTED BROKERAGE

Some clients may direct us to a specific broker/dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on client’s transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the client’s account because the firm cannot negotiate favorable prices.

B. TRADING PRACTICES

i. BLOCK TRADING

Transactions for each client account generally will be effected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. The firm may (but is not obligated to) combine or “batch” such orders to obtain best execution or to allocate equitably among the firm’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients’ accounts in proportion to the purchase and sale orders placed for each account on any given day. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the firm’s principal(s) and/or associated person(s) may invest, the firm shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* The firm shall not receive any additional compensation or remuneration as a result of the aggregation.

ii. CROSS TRADING

The firm may execute cross trades on behalf of its clients. A cross trade occurs when the firm effects a transaction between two clients (e.g. having Account A purchase securities directly from Account B). In a cross trade transaction the firm receives no compensation other than its advisory fee. However, there is a conflict of interest because the firm is acting as an adviser for both the buyer and seller of the security. The firm addresses this conflict of interest by acting as a fiduciary for both clients. It also follows the following policies and procedures that address the conflict of interest.

The Firm shall not affect a cross trade for clients unless: It has determined that no client will be disfavored by cross trading; The trade is effected at a price determined by an independent pricing mechanism and such pricing mechanism is documented as to each cross trade. and in the case of

cross trades involving one or more client whose account contains employee benefit plan assets, no cross trade shall be effected without the pre-approval (in each instance) of the Chief Compliance Officer.

iii. TRADE ERRORS

When trade errors occur it is the firm's policy to ensure that the error is immediately corrected without impacting the client. Upon recognition of the error the firm moves the trade to its trade error account and the client is returned to his/her previous position. All trade error losses are returned to the client. All trade error gains are kept in the trade error account for at least one year to offset future trade error losses. After one year or when dictated by the trade error account custodian, trade error gains may be donated to a charity.

13. REVIEW OF ACCOUNTS

A. PERIODIC REVIEWS

Using a proprietary analysis method, Lakeside Wealth Management Group's in-house investment adviser representatives typically review the investments contained within the offered advisory portfolios on a quarterly basis. Market movements and larger economic considerations may trigger a more focused review. Any changes in a client's financial situation, goals, or risk tolerance may also affect the current strategy guiding a client's portfolio and other investments. Clients are hereby urged to notify their investment adviser representative of any such change at their earliest convenience. The number of accounts handled by the firm's investment adviser representatives varies because each is generally responsible for servicing those clients with whom he or she has personally developed a client relationship. The firm's review committee meets on a quarterly basis to review the portfolios' holdings and to make any necessary modifications to a strategy. The committee includes Mark W. Chamberlain, Chief Executive Officer, Timothy D. Rice, President, Jocelyn Hibshman, Chief Compliance Officer, and the firm's investment adviser representatives, Chip Mang, Josh Kozel, Timothy VerSchure, and Tom Krafft.

B. OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

C. REPORTS

Financial planning clients receive a written report at the end of the financial planning process. Portfolio Management clients receive at least quarterly statements from their custodian. The firm urges clients to carefully review such statements. In addition to the quarterly statements from the account custodians, each client receives online access to his or her account through Albridge, which contains account holdings and balance information. Those clients whose investments

include other mutual funds or variable annuities will receive customary reports from the mutual fund or insurance company holding those investments.

14. CLIENT REFERRALS AND OTHER COMPENSATION

A. OTHER COMPENSATION

The firm does not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

B. CLIENT REFERRALS

The firm does not pay for client referrals or use solicitors.

15. CUSTODY

All client funds, securities and accounts are held at third-party custodians. The firm does not take possession of a client's securities. However, the client will be asked to authorize the firm with the ability to deduct fees directly from the client's account. The firm follows the guidelines established by the Securities and Exchange Commission for directly debiting advisory fees from client custodial accounts to ensure that the firm will not be deemed to have custody of client funds and/or securities with the regard to the practice of debiting.

Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains client's investment assets. The statements will show the fee withdrawn. The firm urges each client to carefully review such statements.

16. INVESTMENT DISCRETION

The firm's Portfolio Management Services are discretionary. The firm's discretionary authority is obtained when a client signs an investment management agreement and also a limited power of attorney. The agreement and power of attorney allows the firm to buy and/or sell securities the firm has selected, within the tolerance agreed to by the client, and in the amounts the firm deems suited to the agreed upon portfolio structure. It allows the firm to place each such trade without the client's prior approval. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account, and any other investment policies, limitation or restrictions. The firm's discretionary authority also includes the ability to choose a custodian for client accounts.

Financial Planning and Qualified Plan Consulting Services are nondiscretionary. A non-discretionary investment account means the client retains full discretion to supervise, manage, and direct the assets of the account. The client maintains full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the account in any manner deemed appropriate and to place all orders for the purchase and sale of account assets with or through brokers, dealers, or issuers selected by the client. The client is free to manage the account with or without the recommendation of the firm and all with or without prior

consultation with the firm.

17. VOTING CLIENT SECURITIES

Unless otherwise mutually agreed in writing, the firm will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in client's accounts. Proxy solicitation materials will be forwarded to clients for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

18. FINANCIAL INFORMATION

A. BALANCE SHEET

This section is not applicable.

B. FINANCIAL CONDITION

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about the firm's financial condition. The firm has no financial commitment that impairs its ability to service its clients.

C. BANKRUPTCY

The firm and its owners have not been the subject of a bankruptcy proceeding.