

Disclosure Brochure

September 17, 2014



Marshall Financial Group

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of The Marshall Financial Group, Inc. (hereinafter "The Marshall Financial Group" or the "firm"). If you have any questions about the contents of this brochure, please contact Jeanne A. Robinson at (215) 348-9393. 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 The Marshall Financial Group is available on the SEC's website at www.adviserinfo.sec.gov.

The Marshall Financial Group is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, The Marshall Financial Group is required to discuss any material changes that have been made to the brochure since the firm's last annual amendment on September 3, 2013. There are no such material changes to disclose in relation to this Item.

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Item 4. Advisory Business

The Marshall Financial Group has been in business as a registered investment adviser since June 1983. The Marshall Financial Group is a subsidiary of Wm. L. Marshall Companies, Inc., a corporation principally owned by the firm's founder, William L. Marshall, CFP®. As of June 30, 2014, The Marshall Financial Group had approximately \$617,000,000 in assets under management, of which \$595,000,000 was managed on a discretionary basis and \$22,000,000 was managed on a non-discretionary basis.

The Marshall Financial Group offers clients a variety of fee based advisory services, which include financial planning, consulting and investment management. Prior to engaging The Marshall Financial Group to provide any of the foregoing services, the client is required to enter into a written agreement with the firm setting forth the relevant terms and conditions of the advisory relationship (the "Agreement").

This Disclosure Brochure describes the business of The Marshall Financial Group. Certain sections also describe the activities of the firm's *Supervised Persons*, which refer to The Marshall Financial Group's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, and any other person who provides investment advice on the firm's behalf and is subject to its supervision or control.

Financial Planning and Consulting Services

Financial Planning Services

The Marshall Financial Group provides its clients with a broad range of comprehensive financial planning services, which generally include:

- Educational Funding;
- Tax Planning;
- Cash Management;
- Debt Consolidation;
- Retirement Planning;
- Investment Management;
- Estate Planning;
- Charitable Giving;
- Risk Management;
- Stock Options Strategies;
- Small Business Planning; and
- Asset Protection Planning.

Wealth Coaching Services

The Marshall Financial Group offers My Wealth Coach™ as an alternative to financial planning. My Wealth Coach™ provides financial guidance and education to clients through a coaching model, instead of a full service advisory relationship. Under a coaching model, the Marshall Financial Group works with clients to manage their finances virtually by aggregating accounts through one secure portal. The Firm assists clients with setting goals and provides a customized guide complete with action items. The Marshall Financial Group sends clients periodic emails to allow clients to track spending and goals. My

Wealth Coach™ offers clients the choice of one annual meeting or two brief semi-annual meetings to review their plans and set upcoming goals.

In performing any of the above financial planning or consulting services, The Marshall Financial Group is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The firm may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if The Marshall Financial Group recommends its own services. The client is under no obligation to act upon any of the recommendations made by The Marshall Financial Group under a financial planning or consulting engagement or to engage the services of any such recommended professional, including The Marshall Financial Group itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of The Marshall Financial Group's recommendations. Clients are advised that it remains their responsibility to promptly notify The Marshall Financial Group if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the firm's previous recommendations and/or services.

Investment Management Services

The Marshall Financial Group manages its clients' investment portfolios on a discretionary or non-discretionary basis.

The Marshall Financial Group primarily allocates clients' assets among individual debt and equity securities, options, mutual funds, index funds, exchange-traded funds ("ETFs") and *Independent Managers* (as defined below), in accordance with their individual investment objectives. Additionally, the firm may recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in private placement securities, which may include debt, equity and/or pooled investment vehicles. The firm may also provide advice about any type of legacy position or investment otherwise held in clients' investment portfolios.

In addition, clients may engage The Marshall Financial Group to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held through employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, The Marshall Financial Group directs or recommends the allocation of client assets among the various investment options available with the product. Client assets are generally maintained at the underwriting insurance company or the custodian designated by the product's sponsor. The Marshall Financial Group also advises certain clients to invest in various hard assets, which may include precious metals, gems and/or rare collectible items (e.g., bullion, coins, etc.).

The Marshall Financial Group tailors its advisory services to accommodate the needs of its individual clients and continuously seeks to ensure that its clients' portfolios are managed in a manner consistent

with their specific investment profiles. The Marshall Financial Group consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Clients are advised to promptly notify The Marshall Financial Group if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if The Marshall Financial Group determines, in its sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the firm's management efforts.

Use of Independent Managers

As mentioned above, The Marshall Financial Group recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), either directly or under a wrap fee program. The Marshall Financial Group evaluates various information about the *Independent Managers* in which it recommends or selects to manage its clients' portfolios. The firm generally reviews a variety of different resources, which may include the *Independent Managers*' public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the firm seeks to assess the *Independent Managers*' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. The Marshall Financial Group also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

In these situations, The Marshall Financial Group continues to render services to the client relative to the discretionary and/or non-discretionary selection or recommendation of *Independent Managers*. The Marshall Financial Group generally monitors the performance of those accounts being managed by *Independent Managers* by reviewing the account statements and trade confirmations produced by the *Financial Institutions*, as well as other performance information furnished by the *Independent Managers* and/or other third-party providers. In return for these ongoing services, The Marshall Financial Group receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between The Marshall Financial Group or the client and the designated *Independent Managers*. In addition to this Disclosure Brochure, the client also receives the written disclosure documents of the designated *Independent Managers* engaged to manage their assets.

Item 5. Fees and Compensation

The Marshall Financial Group offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

The Marshall Financial Group generally charges a fixed and/or hourly fee to provide clients with financial planning or consulting services. These fees are negotiable, but generally range up to \$20,000 on a fixed fee basis and from \$175 to \$350 on an hourly basis. The firm may also charge an hourly rate of between \$130 and \$175 for certain administrative services. The Marshall Financial Group's fees are a function of the value of its services, the time it anticipates expending on its client's behalf, the complexity of the client's issues, and the overall success of a particular engagement.

The firm's *Agreement* with the client sets forth the specific terms and conditions of a particular engagement and describes both the scope of the services and the portion of the fee that is due prior to commencing services. Generally, hourly fees are billed in arrears and fixed fees are payable in advance; however, the firm does not accept fees in excess of \$1,200 more than six months prior to the anticipated completion of its services.

Wealth Coaching Fees

The Marshall Financial Group generally charges a fixed monthly fee of \$150 to provide clients with the wealth coaching services outlined above. The fee is charged monthly in advance and is payable upon execution of the advisory agreement. The term of the agreement is typically two years though a client may terminate at any time. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

In limited circumstances, The Marshall Financial Group may charge a project-based fee to provide clients with the wealth coaching services which may differ from the fee set forth above. These fees will be individually negotiated as memorialized in the *Agreement*.

Investment Management Fees

The Marshall Financial Group provides investment management services for an annual fee based upon a percentage of the assets being managed by The Marshall Financial Group. For clients to whom the Firm provides both investment management and financial planning services, this asset-based fee varies between 50 and 100 basis points (0.50% – 1.00%) depending upon the amount of the assets under management, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
Up to \$250,000	1.00%
\$250,001 – \$500,000	0.85%
\$500,001 – \$1,000,000	0.65%
Above \$1,000,000	0.50%

For clients that have engaged The Marshall Financial Group to provide only investment management services, the Firm generally imposes an annualized fee schedule with breakpoints 25 basis points (0.25%) higher than the asset-based rates in the above table.

The Marshall Financial Group's annual fee is prorated and charged quarterly in arrears, based upon the market value of the assets being managed by The Marshall Financial Group on the last day of the previous quarter. The Marshall Financial Group's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. The Marshall Financial Group does not, however, receive any portion of these commissions, fees and costs.

Fee Discretion

The Marshall Financial Group, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), The Marshall Financial Group generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc., an SEC registered broker-dealer and member of FINRA ("*Schwab*"), for investment management accounts.

The Marshall Financial Group may only implement its investment recommendations after the client has arranged for and furnished The Marshall Financial Group with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, any other broker-dealer recommended by The Marshall Financial Group, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for

assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to The Marshall Financial Group's fee.

Fee Debit

The firm's *Agreement* and the separate agreement with any *Financial Institutions* generally authorize The Marshall Financial Group or *Independent Managers* to debit the client's account for the amount of The Marshall Financial Group's fee and to directly remit that management fee to The Marshall Financial Group or the *Independent Managers*. Any *Financial Institutions* recommended by The Marshall Financial Group have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to The Marshall Financial Group. Alternatively, clients may elect to have The Marshall Financial Group send a separate invoice for payment.

Fees for Management During Partial Quarters of Service

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets is not adjusted or prorated to account for the amount of days remaining in the quarter. For the initial period of investment management services, fees are calculated on a *pro rata* basis. The *Agreement* between The Marshall Financial Group and the client continues in effect until terminated by either party pursuant to the provisions therein. The Marshall Financial Group's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to The Marshall Financial Group's right to terminate an account. Additions may be in cash or securities provided that the firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to The Marshall Financial Group, subject to the usual and customary securities settlement procedures. However, The Marshall Financial Group designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. The Marshall Financial Group may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Item 6. Performance-Based Fees and Side-by-Side Management

The Marshall Financial Group does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

The Marshall Financial Group provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

No Minimum Account Requirements

The Marshall Financial Group does not impose a minimum fee or account size to initiate or maintain an advisory relationship. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than The Marshall Financial Group. In these instances, The Marshall Financial Group may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The Marshall Financial Group's methodology is based primarily on Modern Portfolio Theory ("MPT") and incorporates a combination of largely fundamental, technical and cyclical analytical metrics.

MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, The Marshall Financial Group's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. The Marshall Financial Group generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its industry competitors in order to determine the recommendations made to clients. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific company information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that The Marshall Financial Group will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that The Marshall Financial Group is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

The Marshall Financial Group strives to structure investment portfolios that optimize the risk-return relationship specifically suited to each client. Instead of managing portfolios to outperform some often-quoted equity index or benchmark, the firm manages portfolios pursuant to their clients' individual goals.

When possible, The Marshall Financial Group prefers investing new savings in under-weighted areas. To the extent that a portfolio has investments in non-taxable or tax-deferred accounts, the firm attempts to utilize these accounts for portfolio rebalancing. If additional cash or a non-taxable account is not available, should an asset class or investment within a certain asset class grow beyond acceptable limits, it generally recommends reducing that asset class with reallocation of the proceeds to undervalued areas.

In contrast to individual stocks, it is The Marshall Financial Group's preference to utilize the skill and knowledge of seasoned mutual fund managers in those asset classes where the manager has exhibited the ability to provide incremental benefit over investing in a comparable index. In those instances where the firm believes it benefits the client to utilize an index-like investment, it generally recommends using ETFs.

The following criteria are used when choosing active fund managers:

- Past performance relative to other funds having the same investment objective with consideration will be given to both performance rankings over various timeframes and consistency of performance.
- Costs relative to other funds with like objectives and investment styles;
- Size of the fund (total assets under the manager's direction);
- Length of time the fund has been in existence and length of time it has been under the direction of the current manager and whether or not there have been material changes in the manager's organization and personnel;
- The historical volatility and downside risk of the fund;
- How well the fund complements other assets in the portfolio; and
- The likelihood of future investment success, relative to other opportunities and relative to the current economic environment.

When building portfolios, The Marshall Financial Group focuses on maximizing returns within a client's accepted level of risk, as follows:

- During asset and specific investment selection, the firm balances tax efficiency based on mutual fund or ETF selection and account registration taxability.
- The Marshall Financial Group understands that each client has their own unique goals and objectives for their investments. Therefore, the firm customizes each portfolio in an effort to provide an appropriate expected rate of return to meet those goals and needs. It establishes customized models to assist in monitoring the yearly success or failure of each portfolio accordingly.
- During portfolio design, The Marshall Financial Group tailors each portfolio to reflect the risk of the client, the end purpose of the funds, and the additional savings the client expects to contribute in

the future. Based upon the progress of each portfolio, the firm may recommend a change in the savings component, an adjustment in the risk of a portfolio via asset re-allocation, or both.

- When the value of a specific asset class grows over time to significantly exceed the target allocation, the firm recommends rebalancing a portfolio by moving money into an undervalued asset class. By doing so, the firm seeks to ensure that it sells assets at a relatively high value and redeploy the proceeds to an asset class that has been out of favor or undervalued. Similarly, should an individual investment within an asset class grow significantly, The Marshall Financial Group may recommend selling part or all of the investment, depending upon tax consequence, economic and market conditions at the time.
- The firm frequently earmarks specific investments or monies for planned expenditures. These “buckets” are commonly reserved to support cash flow during a transitional period, to make capital purchases such as a new vacation home, or to make one-time lump sum payments such as are often needed to satisfy various tax obligations.
- The world is not static and although the firm may make long-term trend assumptions, it regularly monitors portfolios and makes adjustments based on new information regarding those long-term trends.
- When investing, The Marshall Financial Group may utilize a tactical asset allocation approach and not adhere to a strict “buy and hold” strategy. In these situations, the firm does not look to capture the top or the bottom, but aims to enhance portfolio return by taking advantage of unique opportunities.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund’s underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund’s stated daily per share net asset value (“NAV”), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund’s holdings. The trading prices of a mutual fund’s shares may differ significantly from the NAV during periods of market

volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

The profitability of a significant portion of The Marshall Financial Group's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that The Marshall Financial Group will be able to predict those price movements accurately.

Use of Independent Managers

The Marshall Financial Group may recommend the use of *Independent Managers*. In these situations, The Marshall Financial Group continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, The Marshall Financial Group generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

Use of Private Collective Investment Vehicles

The Marshall Financial Group recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other

financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

The Marshall Financial Group has not been involved in any legal or disciplinary events that are material to a client's evaluation of the firm's advisory business or the integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Trustee of Mutual Fund Complex

William L. Marshall, CFP®, the Director of The Marshall Financial Group, serves as a trustee of the SSgA Funds®, a position he has held since 1988. The SSgA Funds® is the mutual fund complex of State Street Global Advisors, the investment management arm of State Street Corporation. State Street Corporation is a publicly traded financial services company headquartered in Boston, Massachusetts (NYSE: STT).

The Marshall Financial Group may, on a limited basis, recommend an investment in certain products under common control with the SSgA Funds®. A conflict exists to the extent the interests of the SSgA Funds® fall at odds with the interests of the firm's clients. Additionally, Mr. Marshall may be privy to certain material non-public information that he is legally prohibited from utilizing or disseminating, which could also prove disadvantageous to the firm's clients. The Marshall Financial Group has procedures in place whereby it seeks to ensure that all such conflicts are handled in the best interests of its advisory clients.

Item 11. Code of Ethics

The Marshall Financial Group has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. The Marshall Financial Group’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of The Marshall Financial Group’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact The Marshall Financial Group to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

As discussed in Item 5, The Marshall Financial Group generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ (“Schwab”) for investment management accounts.

Factors which The Marshall Financial Group considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by The Marshall Financial Group’s clients to Schwab comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where The Marshall Financial Group determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness. The Marshall Financial Group seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist The Marshall Financial Group in its investment decision-making process. Such research generally will be used to service all of the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because The Marshall Financial Group does not have to produce or pay for the products or services.

The Marshall Financial Group periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

The Marshall Financial Group may receive without cost from Schwab computer software and related systems support, which allow The Marshall Financial Group to better monitor client accounts maintained at Schwab. The Marshall Financial Group may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at CUSTODIAN. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit The Marshall

Financial Group, but not its clients directly. In fulfilling its duties to its clients, The Marshall Financial Group endeavors at all times to put the interests of its clients first. Clients should be aware, however, that The Marshall Financial Group's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, The Marshall Financial Group may receive the following benefits from Schwab:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

Account Reviews

The Marshall Financial Group monitors its clients' investment portfolios on a continuous and ongoing basis, and conducts regular account reviews at least annually. Such reviews are conducted by one of the firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with The Marshall Financial Group and to keep The Marshall Financial Group informed of any changes thereto. The Marshall Financial Group contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations, and to discuss the impact resulting from any changes in their financial situation and/or investment objectives.

Account Statements and General Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions*. Clients in the Program also receive reports from The Marshall Financial Group that may include such relevant account and/or market-related information, such as an inventory of account holdings and account performance on an annual basis or as otherwise agreed. Clients should compare any supplemental reports they receive from The Marshall Financial Group and/or the *Independent Managers* with the account statements they receive from the *Financial Institutions*.

Item 14. Client Referrals and Other Compensation

Client Referrals

The Marshall Financial Group does not provide compensation for client referrals.

Other Economic Benefit

The Marshall Financial Group has an arrangement in place where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and is described at length in Item 12.

Item 15. Custody

The Marshall Financial Group's *Agreement* and/or the separate agreement with any *Financial Institution* generally authorize The Marshall Financial Group through such *Financial Institution* to debit the client's account for the amount of The Marshall Financial Group's fee and to directly remit that management fee to The Marshall Financial Group in accordance with applicable custody rules.

The *Financial Institutions* recommended by The Marshall Financial Group have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to The Marshall Financial Group. In addition, as discussed in Item 13, The Marshall Financial Group also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from The Marshall Financial Group.

Item 16. Investment Discretion

The Marshall Financial Group may be given the authority to exercise discretion on behalf of clients. The Marshall Financial Group is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. The Marshall Financial Group is given this authority through a power-of-attorney included in the agreement between The Marshall Financial Group and the client. Clients may request a limitation on this authority (e.g., certain securities not to be bought or sold).

The Marshall Financial Group generally takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

The Marshall Financial Group does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Clients receive proxies directly from the *Financial Institutions* where their assets are custodied and may contact the firm at the telephone number on the cover of this brochure with questions about such.

Item 18. Financial Information

The Marshall Financial Group is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.



Marshall Financial Group

Prepared by:



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