

Disclosure Brochure

Part 2A of Form ADV

This brochure provides information about the qualifications and business practices of FormulaFolio Investments, LLC (hereinafter "FormulaFolio Investments"). If you have any questions about the contents of this brochure, please contact Jason Wenk at (616) 667-2150. 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 FormulaFolio Investments, LLC is available on the SEC's website at www.adviserinfo.sec.gov. FormulaFolio Investments, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

ITEM 2 - MATERIAL CHANGES

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the last update on August 26, 2015, FormulaFolio Investments has added a Unified Managed Account Program (UMA). The sponsor of this program will be Envestnet. The change is added to Item 4.

FormulaFolio Investments has added Affiliated Mutual Funds: FormulaFolios US Equity Fund and FormulaFolios US Equity Portfolio. Details are included in Item 4, fees in Item 5, Code of Ethics in Item 11, and Proxy Voting in Item 17.

Chief Compliance Officer of FormulaFolio Investments has changed to Danielle Tyler.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 888-562-8880 or by email at: support@formulafolios.com

ITEM 3 - TABLE OF CONTENTS

Item 1 - Cover Page	i
Item 2 - Material Pages	ii
Item 3 - Table of Contents	iii
Item 4 - Advisory Business	1-2
Item 5 - Fees and Compensation	3
Item 6 - Performance-Based Fees and Side-by-Side Management	4
Item 7 - Types of Clients	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 - Disciplinary Information	6
Item 10 - Other Financial Industry Activities and Affiliations	6
Item 11 - Code of Ethics	7
Item 12 - Brokerage Practices	7
Item 13 - Review of Accounts	8
Item 14 - Client Referrals and Other Compensation	8
Item 15 - Custody	8
Item 16 - Investment Discretion	9
Item 17 - Voting Client Securities	9
Item 18 - Financial Information	9

ITEM 4 - ADVISORY BUSINESS

Founded by its Chief Financial Strategist and largest shareholder, Jason Wenk, FormulaFolio Investments (FFI), LLC provides investment management services to its clients. Registered with the SEC as an investment advisor since September 2011, the firm works with its clients to develop a plan that is customized to the clients' goals and investment objectives.

Prior to engaging FFI to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with FFI setting forth the terms and conditions under which FFI renders its services (collectively the "Agreement").

As of September 30th, 2015, FFI has \$796,633,370.46 of discretionary assets under management for 8,363 clients and \$80,173,605.24 of non-discretionary for 1279 clients, as of September 30th, 2015. This Disclosure Brochure describes the business of FFI. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of FFI's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on FFI's behalf and is subject to FFI supervision or control.

Principal Owners

The firm's current ownership structure is as follows: Jason Wenk President - 46.57%, Joel VanWoerkom - 11.91%, Jason Crump - 11.91%, Gerry Sikkenga Chief Financial Officer - 4.58%, Stephen Craig - 7.87%, Stephen Odom - 5.62%, Brandon George - 1.69%, Edward Nolan - 1.69%, Stephen Ashton - 1.69%, Ford Stokes - 1.12%, Andrew Craig - 1.12%.

Investment Management Services

Clients can engage FFI to manage all or a portion of their assets on a discretionary basis. As detailed in Item 8, FFI primarily allocates clients' investment management assets among different tactical asset allocation strategies. These may take the form of long-short, long-only or other strategies depending upon the client's investment objectives among other factors. These strategies are generally offered through the firm's wrap programs. A part of the wrap programs, the firm provides its investment management services and arranges for brokerage transactions under a single annualized fee. The strategies are primarily comprised of individual equity securities, various mutual funds, or exchange traded funds ("ETFs"). The firm acts as the investment manager to these strategies. Individual clients cannot hire FFI to manage their assets directly. Other investment advisors hire FFI to invest their own clients' assets in one or more of FFI's strategies. In this scenario, the advisor will select the strategy for its client, and will hire FFI to manage the assets. Participants in the programs may pay a higher aggregate fee than if investment management and brokerage services are purchased separately.

A complete description of each program's terms and conditions (including fees) are contained in that program's wrap fee brochure.

For certain legacy clients, FFI may provide its services pursuant to a sub-advisory relationship. The terms and conditions for these engagements are set forth in the agreement between the firm and the client.

FFI also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, FFI either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

FFI tailors its advisory services to the individual needs of clients. The firm consults with clients initially and on an ongoing basis to determine needs. FFI ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to notify FFI if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the firm's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in FFI's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

FFI may allocate and/or recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers and/or investment programs (the "Independent Manager(s)"), based upon the stated investment objectives of the client.

Prior to recommending an Independent Manager, the firm will conduct in its belief to have been an appropriate level of due diligence on the recommended Independent Manager to include ensuring it is registered or notice-filed within client's jurisdiction. Factors which the firm will consider in recommending an Independent Manager include the client's stated investment objective, management style, performance, reputation, financial strength, reporting, pricing, and research.

The terms and conditions under which the client will engage the Independent Manager will be set forth in separate written agreements between the client and the firm, and the client and the designated Independent Manager. FFI will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which the firm will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager (between 0.20% and 1.00%). The investment management fees charged by the designated Independent Manager, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, the firm's ongoing investment advisory fee.

Affiliated Registered Mutual Funds

FormulaFolios (FFI) serves as the investment advisor to the FormulaFolios US Equity Fund. The investment of the FormulaFolios US Equity Fund is long-term capital appreciation. FFI manages the FormulaFolios US Equity Fund portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Fund's prospectus and statement of additional information, rather than on the individual needs and objectives of the FormulaFolios US Equity Fund shareholders. Prior to investing, shareholders should consider whether the investment strategy of the FormulaFolios US Equity Fund meets their investment objectives and risk tolerance. For a complete description of the investment object and risks, please refer to the FormulaFolios US Equity Fund prospectus.

FFI also serves as the investment advisor to the FormulaFolios US Equity Portfolio. Shares of the FormulaFolios US Equity Portfolio are intended to be sold to certain separate accounts of the participating life insurance companies, as well as qualified pension and retirement plans and certain unregistered separate accounts. Shares will be held by the separate accounts or plans for the benefit of the purchaser or participant. The investment objective of the FormulaFolios US Equity Portfolio is the same as the FormulaFolios US Equity Fund seeking long-term capital appreciation. FFI manages the FormulaFolios US Equity Portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Portfolio prospectus and statement of additional information, rather than on the individual needs and objectives of the insurance carrier and/or policyholder. Please refer to the FormulaFolios US Equity Portfolio prospectus for a complete description of the investment objective and risks pertaining to the FormulaFolios US Equity Portfolio.

Both the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio are diversified series of the Northern Lights Fund Trust II, an Investment Company registered under the Investment Company Act of 1940.

ITEM 4 - ADVISORY BUSINESS CONTINUED

FFI offers separately managed accounts and other investment fund products in addition to the funds above. Some of these offerings include portfolios of investments which may be substantially identical to these funds, which could create certain conflicts of interest. As the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio and any separate accounts or investment funds managed similarly to these will be managed concurrently, all transactions will be implemented according to FFI's trade allocation procedures. These procedures, among other things, ensure that all trades allocated to advisory clients fulfill the FFI's fiduciary duty to each client and otherwise allocate securities on a basis that is fair and nondiscriminatory. Such procedures are generally applied in numerous instances, including, among other things, block and bunched trades, cross transactions and private placements. In determining a fair allocation, FFI takes into account a number of factors, including among other things, the Adviser's fiduciary duty to each client, any potential conflicts of interest, the size of the transaction, the relative size of a client's portfolio, cash available for investment, suitability as well as each client's investment objectives.

Other

FFI may provide signals to other third parties for money management with fees ranging from 50 bps to 75 bps.

Unified Managed Account Program (UMA):

FFI also participates in a Unified Managed Account (UMA) program. In this case, the "sponsor" of the program Envestnet, has contracts directly with their clients to perform various types of investment management services. The UMA combines the investment expertise of asset managers, ETFs, and Mutual Funds into a single portfolio services to their clients where FFI delivers "model" portfolios to the Envestnet. As part of this UMA, the adviser typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account.

FFI generally applies the same investment philosophy and strategy for clients of UMA program as is done for FFI's other client's, depending upon any restrictions, limitations, or specific directions that the sponsor or their clients give to us. It is the sponsor that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to the investment objective chosen by the client. For specific details regarding the managers, FFI recommends the clients review the individual companies ADV Part 2A brochure.

The Sponsor of the UMA program generally charge their clients an aggregated or "all-inclusive" fee, and FFI receives a portion of those fees.

ITEM 5 - FEES AND COMPENSATION

Investment Management Wrap Fee

FormulaFolio Investments provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by FormulaFolio Investments. As stated in Item 4, the firm provides its investment management services and arranges for brokerage transactions under a single annualized fee through its wrap programs. Participants in the programs may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the program's terms and conditions (including fees) are contained in the program's wrap fee brochure.

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

Fee Schedules

Fee schedule for FormulaFolio Custom Allocation Programs: Clients pay FormulaFolio Investments an annual management fee calculated in accordance with the fee schedules to the right and on the following page:

Annual management fees are billed monthly in-arrears based on the average daily balance of the managed account for the preceding calendar month with statements sent Quarterly. For partial months fees are prorated for only the days in the preceding month.

Tactical and Multi-Manager Allocation Series *(Custodian: TD Ameritrade, Fidelity & Charles Schwab)*

Amount Under Mgmt.	FF Investments Mgmt Fee.	Rep Fee
First: <\$100,000	0.80%	
Next: \$100,000 - \$249,999	0.75%	
Next: \$250,000 - \$499,999	0.70%	
Next: \$500,000 - \$999,999	0.65%	
Next: > \$1,000,000	0.60%	

FF Allocation Series *(Custodian: Folio Institutional)*

Amount Under Mgmt.	FF Investments Mgmt Fee.	Rep Fee
First: <\$100,000	0.80%	
Next: \$100,000 - \$249,999	0.75%	
Next: \$250,000 - \$499,999	0.70%	
Next: \$500,000 - \$999,999	0.65%	
Next: > \$1,000,000	0.60%	

Tactical and Multi-Manager Allocation Series *(Custodian: Folio Institutional)*

Amount Under Mgmt.	FF Investments Mgmt Fee.	Rep Fee
First: < \$250,000	0.95%	
Next: \$250,001 - \$500,000	0.90%	
Next: \$500,001 - \$1,000,000	0.85%	
Next: \$1,000,001 - \$2,000,000	0.75%	
Next: > \$2,000,001	Please Contact FFI	

Unified Managed Account Program

Account Assets	Platform Fees
Without AssetLock	0.40%
With AssetLock	0.55%

Plus an additional fee per model (approximately 40-75 basis points, although certain models may have fees outside of this range): Applicable manager fees will apply only when a manager is included in the allocation and those fees will only apply against the percentage of the portfolio for which the manager is allocated.

Minimum account size: \$150,000 per model allocation

Affiliated Mutual Fund Fees

FFI is paid an annual management fee of 1.00% of the daily net assets of the FormulaFolios US Equity Fund. The fee is paid monthly in arrears and is based on the assets of the FormulaFolios Mutual Fund portfolio. Specific management fee and related expense information may be found in the prospectus and statement of additional information for the FormulaFolios US Equity Fund, which should be read carefully before investing. No performance fees are charged to this mutual fund.

FormulaFolios is paid an annual management fee of 1.00% of the daily net assets of the FormulaFolios US Equity Portfolio. The fee is paid monthly in arrears and is based on the assets of the FormulaFolios US Equity Portfolio. Specific management fee and related expense information may be found in the prospectus and statement of additional information for the FormulaFolios US Equity Portfolio, which should be read carefully before investing. No performance fees are charged to this fund.

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

FEES AND COMPENSATION CONT.

For all accounts non-discretionary, non-managed accounts (non-asset billed) there is an annual fee of \$50 for administrative services. For all managed accounts, there is a monthly administrative fee of \$5. This fee applies on accounts that have balances of less than \$100,000 at the end of a billing cycle. This fee can be waived at the discretion of the firm.

Variable Annuity Asset Allocation Fee

FFI also provides Variable Annuity Asset Allocation services for Variable Annuity contracts issued by numerous Insurance Companies. The annualized negotiable fee for discretionary and non-discretionary Variable Annuity Asset Allocation services are based on the following fee schedule:

Allocation Style	FF Investments Mgmt. Fee	Rep Fee
Multi-Manager Allocation	0.75%	_____ % (0% to 1.25%)

The annual fee for Variable Annuity Asset Allocation Services are billed either monthly or quarterly in arrears, depending on custodian. Billing is based on the asset value on the last business day of the previous quarter. Payment of the Firm's management fees will be made by the qualified

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), FormulaFolio Investments generally recommends that clients utilize the brokerage and clearing services of FOLIOfn Investments ("FOLIOfn"), TD Ameritrade ("TDA"), Fidelity, or Charles Schwab for investment management accounts. FormulaFolio Investments may only implement its investment management recommendations after the client has arranged for and furnished FormulaFolio Investments with all information and authorization regarding accounts with appropriate financial institutions.

Financial institutions include, but are not limited to, FOLIOfn, TDA, Fidelity, Charles Schwab, any other broker-dealer recommended by FormulaFolio Investments, 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 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.

The firm's agreement with any Financial Institutions may authorize FormulaFolio Investments to debit the client's account for the amount FormulaFolio Investment's fee and to directly remit that management fee to FormulaFolio Investments. Any Financial Institutions recommended by FormulaFolio Investments 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 FormulaFolio Investments. Alternatively, clients may elect to have FormulaFolio Investments send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The Agreement between FormulaFolio Investments and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. FormulaFolio Investment'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 FormulaFolio Investment's right to terminate an account. Additions may be in cash or securities provided that FormulaFolio Investments reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. In addition, for ERISA accounts, mutual fund shares may be deposited only if they are front-end load funds (including "front-end load-waived funds") or no-load funds. Clients may withdraw account assets on notice to FormulaFolio Investments, subject to the usual and customary securities settlement procedures. However, the firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. FormulaFolio Investments 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.

The client's fee will be adjusted only if the prorated fee is calculated to be more than \$25 after any assets are deposited or withdrawn from an account during a quarter.

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

FormulaFolio Investments does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of the client.

ITEM 7 - TYPES OF CLIENTS

FORMULAFOLIO INVESTMENTS generally provides services to individuals and high net worth individuals. However, the firm also may provide advice to pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Size

As a condition for starting and maintaining a relationship, FORMULAFOLIO INVESTMENTS generally imposes a minimum account size of \$50,000. The firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future

earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. FORMULAFOLIO INVESTMENTS only accepts clients with less than the minimum portfolio size if, in the sole opinion of FORMULAFOLIO INVESTMENTS, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. The firm minimum is a per account minimum, not a per client minimum, meaning each client account is considered individually when calculating account size rather than the sum of all potential accounts for each client.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategies and Methods of Analysis

Clients can engage FormulaFolio Investments to manage all or a portion of their assets on a discretionary basis. The firm primarily allocates clients' investment management assets among different tactical allocation strategies. These may take the form of long-short, long-only or other strategies depending upon the client's investment objectives among other factors. These strategies are generally offered through the firm's wrap programs.

The strategies are primarily comprised of various individual equity securities, mutual funds or ETFs. The firm acts as the investment manager to these strategies. Individual clients may not hire FormulaFolio Investments to manage their assets directly. Other investment advisors hire FormulaFolio Investments to invest their own clients' assets in one or more of the strategies. In this scenario, the advisor will select the strategy for its client, and will hire FormulaFolio Investments to manage the assets.

Generally, the investment strategies are growth-oriented investment strategies designed for investors seeking to diversify their portfolios through a long term allocation to tactical management. The strategies are equity-based programs, which on a daily basis, analyze a wide variety of individual equity securities, index mutual funds, international funds, and ETFs, that together broadly represent the global economy. Using technical analysis among other factors, the firm determines which individual equity securities, index mutual funds, industry sector or international funds, if any, look attractive to own. The decision essentially comes down to the fundamentals of each security analyzed, the recent trend of each individual fund, and the overall strength of the US economy.

Technical analysis involves, among other things, the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using 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 FormulaFolio Investments will be able to accurately predict such a reoccurrence. The primary risk in fundamental analysis is that the balance sheet and income statement data used may change, in some cases abruptly. Additionally, securities deemed to meet the fundamental requirement for inclusion to portfolios may not result in positive performance for investors and therefore could result in loss of invested capital.

Primarily, the strategies seek capital appreciation through asset selection.

FormulaFolio Investments will invest in the securities and funds ranked highest, as determined by its analysis. When the stock market is in a positive intermediate or long-term trend, the firm expects the strategies to be highly correlated to either the U.S. or international equity markets, as well as either the U.S. or international income markets.

To manage risk exposure, the firm performs an overall equity market risk assessment.

This assessment seeks to identify periods of high risk by studying economic data of the U.S. economy. Based on the results of the assessment, FormulaFolio Investments may move the strategies to broader based investments and further seek to limit risk by adjusting allocations to cash on a daily basis. Depending upon the severity of the

risk signals, the firm seeks out opportunities for growth through funds that may benefit from poor equity market conditions, such as bonds, commodities, or alternative funds.

Risks of Loss

Individual Equities, Mutual Funds, and ETFs

An investment in individual equities, a mutual fund, or ETF involves risk, including the loss of principal. Individual equity, 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 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).

Market Risks

The profitability of a portion of FormulaFolio Investment'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 FormulaFolio Investments will be able to predict those price movements accurately.

Management Through Similarly Managed Accounts

FormulaFolio Investments may manage portfolios by allocating portfolio assets among various individual equity securities, mutual funds, or ETFs on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In doing so, FormulaFolio Investments buys, sells, exchanges and/or transfers shares of securities based upon the investment strategy.

FormulaFolio Investment's management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

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

The investment strategy may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to FormulaFolio Investments' clients may be limited. For example, various mutual funds or insurance companies may limit the ability of FormulaFolio Investments to buy, sell, exchange or transfer securities consistent with its investment strategy. As further discussed in response to Item 12 (below), FormulaFolio Investments allocates investment opportunities among its clients on a fair and equitable basis.

Use of Margin

To the extent that a client authorizes the use of margin, and margin is thereafter employed by FormulaFolio Investments in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to FormulaFolio Investments will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to FormulaFolio Investments. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer

may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

General Risk of Loss

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

FFI uses AssetLock tracking software to monitor the performance/growth of a clients' portfolio, and to predetermine the amount of downside the client/s is/are willing to tolerate. It is NOT an actual stop loss, and will NOT automatically sell the individual securities in the portfolio. Therefore, the AssetLock value is a reference point to encourage a conversation between FFI and the client/s, and to determine if the client/s would like to liquidate the portfolio and move the assets into cash, reset the AssetLock percentage or reallocate to a different risk profile.

During any liquidation process, there is no guarantee the exact AssetLock value will be captured, nor that the assets will be sold the very same day, but rather the notification will alert both the client/s and FFI that the portfolio needs to be sold and moved into a cash account at FFI's earliest opportunity. The client/s are approving their AssetLock downside percentage, the correlating investment profile and any possible tax implications that may result due to the liquidation of the investment holdings.

ITEM 9 - DISCIPLINARY INFORMATION

FormulaFolio Investments is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. FormulaFolio Investments does not have any required disclosures to this Item.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

FormulaFolio Investments is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Jason Wenk

Jason Wenk is a shareholder and Chief Investment Strategist of FormulaFolio Investments, LLC. In addition to Mr. Wenk's duties for FormulaFolio Investments, LLC, he is also: 1) a shareholder and President of Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; 2) a shareholder and partner in 521, LLC, a real estate development and management company; 3) a shareholder of Kasia Insurance Agency, Ltd., a Property and Casualty Insurance Agency. Mr. Wenk is not licensed as an insurance agent nor does he offer clients insurance services. His role in Kasia is strictly as an investor shareholder only.

Gerald Sikkenga

Gerald Sikkenga is a shareholder and acting Chief Operations Officer of FormulaFolio Investments, LLC. In addition to Mr. Sikkenga's duties for FormulaFolio Investments, LLC, he is also: 1) a shareholder and Chief Operations Officer of Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; and 2) a shareholder of Altruistic Financial Planning, LLC, an Insurance Agency.

Jason Crump

Jason Crump is a shareholder of FormulaFolio Investments, LLC,. In addition to Mr. Crump's duties for FormulaFolio Investments, LLC, he is also: 1) a shareholder and Director of 401ks and Alternative Investments for Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; 2) a shareholder of Altruistic Financial Planning, LLC, an Insurance Agency; and 3) a licensed life insurance agent.

Joel VanWoerkom

Joel VanWoerkom is a shareholder of FormulaFolio Investments, LLC. In addition to Mr. VanWoerkom's duties for FormulaFolio Investments, LLC, he is also: 1) a shareholder and Director of Financial Planning for Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; 2) a shareholder of Altruistic Financial Planning, LLC, an Insurance Agency; and 3) a licensed life insurance agent.

Stephen Odom, Steven Craig, Andrew Craig, Brandon George, Edward Nolan, Ford Stokes and Stephen A. Ashton are shareholders of FormulaFolio Investments, LLC and Retirement Wealth Advisors, Inc. Their roles in these two firms are as investor shareholders only. Stephen Odom, Steven Craig, Andrew Craig, Brandon George, Edward Nolan, Ford Stokes, and Stephen A. Ashton are also owners of The Impact Partnership, LLC, an Insurance Marketing Organization (IMO) headquartered in Kennesaw, Georgia.

ITEM 11 - CODE OF ETHICS

FormulaFolio Investments and persons associated with FormulaFolio Investments ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with FormulaFolio Investment's policies and procedures.

FormulaFolio Investments has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by FormulaFolio Investments or any of its associated persons. The Code of Ethics also requires that certain of FormulaFolio Investment's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in FormulaFolio Investment's Code of Ethics, none of FormulaFolio Investment's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of FormulaFolio Investment's clients.

When FormulaFolio Investments is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when FormulaFolio Investments is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. 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 FormulaFolio Investments to request a copy of its Code of Ethics.

FFI, its officers, directors, employees or other Access Persons may purchase the same or similar securities for the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio at the same time as it affects transactions for other clients. A conflict of interest could arise should this could the persons to be indirectly trading before other FFI clients should FFI aggregate trades for clients in the same funds. FFI has written policies and procedures to address this conflict of interest.

ITEM 12 - BROKERAGE PRACTICES

As discussed above, in Item 5, FormulaFolio Investments generally recommends that clients utilize the brokerage and clearing services of TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab.

Factors which FormulaFolio Investments considers in recommending these or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn and Charles Schwab enable FormulaFolio Investments to obtain many individual equity securities, no-load mutual funds, and ETFs without transaction charges and other no-load and load-waived funds at nominal transaction charges. The commissions and/or transaction fees charged by these may be higher or lower than those charged by other Financial Institutions.

The commissions paid by FormulaFolio Investment's clients comply with FormulaFolio Investment'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 firm 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. FormulaFolio Investments seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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

The client may direct FormulaFolio Investments in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and FormulaFolio Investments will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by FormulaFolio Investments (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, FormulaFolio Investments may decline a client's request to direct brokerage if, in FormulaFolio Investment's sole discretion, such directed brokerage arrangements would result in additional operational difficulties. Transactions for each client generally will be effected

independently, unless FormulaFolio Investments decides to purchase or sell the same securities for several clients at approximately the same time. FormulaFolio Investments may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among FormulaFolio Investment'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 generally be averaged as to price and allocated among FormulaFolio Investment's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that FormulaFolio Investments determines to aggregate client orders for the purchase or sale of securities, including securities in which FormulaFolio Investment's Supervised Persons may invest, FormulaFolio Investments generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. FormulaFolio Investments does not receive any additional compensation or remuneration as a result of the aggregation. In the event that FormulaFolio Investments determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, FormulaFolio Investments may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services that assist FormulaFolio Investments in its investment decision-making process. Such research generally will be used to service all of FormulaFolio Investment'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.

ITEM 12 - BROKERAGE PRACTICES CONT

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 FormulaFolio Investments does not have to produce or pay for the products or services. Such transactions are in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended. In addition, FormulaFolio Investments may receive a portion of charges imposed by mutual funds for its servicing of client accounts. These charges do not result in any additional fees paid by clients.

Software and Support Provided by Financial Institutions

FormulaFolio Investments may receive from TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn and Charles Schwab without cost to FormulaFolio Investments, computer software and related systems support, which allow the firm to better monitor client accounts maintained at TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab. FormulaFolio Investments may receive the software and related support without cost because FormulaFolio Investments renders investment management services to clients that maintain assets at TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab. The software and related systems support may benefit the firm, but not its clients directly. In fulfilling its duties to its clients, FormulaFolio Investments endeavors at all times to put the interests of its clients first. Clients should be aware, however, that FormulaFolio Investment's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence FormulaFolio Investment's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, FormulaFolio Investments may receive the following benefits from TD Ameritrade Institutional, Fidelity

Institutional Wealth Services, FOLIOfn, and Charles Schwab: receipt of duplicate client confirmations and bundled duplicate statements; 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.

Our blocks are generated by calculating orders based on each account and then aggregating the orders into block orders and allocating each share quantity generated for each account to the appropriate account. The blocks are executed in block trading accounts and then allocated according to the shares needed per account. This supplies all clients with average price instead of being subject to individual order market fluctuation.

In the event that blocks are not fully filled and only portions of shares are purchased, each account would receive the lower number of shares pro-rated.

ITEM 13 - REVIEW OF ACCOUNTS

FormulaFolio Investments monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of FormulaFolio Investment's investment advisor representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep FormulaFolio Investments informed of any changes thereto. FormulaFolio Investments 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 the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients also receive a report from FormulaFolio Investments that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from FormulaFolio Investments. The firm will furnish a supporting schedule for capital gains and losses realized in the account for the year, as requested by the client.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

FormulaFolio Investments may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

In addition, FormulaFolio Investments is required to disclose any direct or indirect compensation that it provides for client referrals. If a client is introduced to FormulaFolio Investments by either an unaffiliated or an affiliated solicitor, FormulaFolio Investments may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from FormulaFolio Investment's

investment management fee, and does not result in any additional charge to the client. If the client is introduced to FormulaFolio Investments by an unaffiliated solicitor, the solicitor provides the client with a copy of FormulaFolio Investment's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of FormulaFolio Investments discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of FormulaFolio Investment's written disclosure brochure at the time of the solicitation.

ITEM 15 - CUSTODY

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

The *Financial Institutions* recommended by the firm 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 FormulaFolio Investments. In addition, as discussed in Item 13, FormulaFolio Investments 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 FormulaFolio Investments.

ITEM 16 - INVESTMENT DISCRETION

FormulaFolio Investments is given the authority to exercise discretion on behalf of clients. FormulaFolio Investments 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. FormulaFolio Investments is given this authority through a power-of-attorney included in the agreement between FormulaFolio Investments and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). FormulaFolio Investments takes discretion over the following activities:

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

ITEM 17 - VOTING CLIENT SECURITIES

FormulaFolio Investments is required to disclose if it accepts authority to vote client securities. FormulaFolio Investments does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions.

FFI does not vote proxies on behalf of clients. As it pertains to the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio, FFI has been delegated proxy voting responsibility by the Board of Trustees for proxies solicited on the securities held in the Funds' portfolios. As a matter of policy and as a fiduciary, FFI has responsibility for voting proxies for portfolios securities consistent with the best economic interests of the Funds, Portfolios and clients. The proxy policies and a records of each proxy voted by FFI on behalf of the portfolio including a report on the resolution of all proxies identified by FFI as involving a conflict of interest will be presented to the Board of Trustees at least annually.

Information regarding how proxies are voted is outlined in each prospectus and statement of additional information. Clients may obtain a copy of our complete proxy voting policies and procedures by contacting the main number on the cover page of this disclosure brochure.

ITEM 18 - FINANCIAL INFORMATION

FormulaFolio Investments does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, FormulaFolio Investments is required to disclose any financial

condition that is reasonably likely to impair its ability to meet contractual commitments to clients. FormulaFolio Investments has no disclosures pursuant to this Item.