

Compass Financial Group, Inc.

**665 SE 10th Street, Suite #202
Deerfield Beach, FL 33441**

**Phone: 954 481-2607
Fax: 954 481-2614**

www.compassfinancialgroup.com

March 23, 2016

FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Compass Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at (954) 481-2607. 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 Compass Financial Group, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Compass Financial Group, Inc. is 125186.

Compass Financial Group, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 25, 2015 we have no material changes to report.

Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 10
Item 7 Types of Clients	Page 10
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 10
Item 9 Disciplinary Information	Page 14
Item 10 Other Financial Industry Activities and Affiliations	Page 14
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 15
Item 12 Brokerage Practices	Page 17
Item 13 Review of Accounts	Page 19
Item 14 Client Referrals and Other Compensation	Page 20
Item 15 Custody	Page 20
Item 16 Investment Discretion	Page 20
Item 17 Voting Client Securities	Page 21
Item 18 Financial Information	Page 21
Item 19 Requirements for State-Registered Advisers	Page 21
Item 20 Additional Information	Page 21

Item 4 Advisory Business

Firm Description:

Compass Financial Group, Inc. (hereinafter "CFG" or the "firm") is an investment adviser registered with the Securities and Exchange Commission. The firm offers portfolio management services, financial planning, and family office services. These services may be offered to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The firm's services and fee arrangements are described in the following pages. These services are designed to assist our clients in meeting their financial needs and accomplishing their goals and objectives.

Individuals associated with CFG will provide its wealth management services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on CFG's behalf. Such individuals are known as Investment Adviser Representatives (IARs). CFG has been in business since 1961. Jay Shein is the principal owner of the firm.

Portfolio Management Services

CFG provides discretionary, and may provide non-discretionary, portfolio management services on a continuous basis. The investment advice provided is tailored to meet the needs and investment objectives of the client. Portfolios constructed by CFG may include, without limitation, equity (stock) securities, fixed income, mutual funds, exchange traded funds, managed accounts, structured notes, commodities, options, hedge funds, and/or other investments. Such investments are included in portfolios if CFG determines they are in the best interest of its clients and consistent with a client's objectives, overall investment strategy and risk tolerance. Once the portfolio is constructed, CFG provides continuous supervision and review of the portfolio as changes in the market conditions and client circumstances may require.

Clients that have retained CFG for portfolio management services may also request other wealth management services over time, including but not limited to income and estate tax planning, cash flow planning, risk assessments, education and retirement planning.

Financial Planning Services

CFG offers goal oriented financial planning advice/services to clients. These services are provided to our clients regarding the management of their financial resources based upon an analysis of their individual needs. In general, the financial planning services will encompass one or more of the following areas:

- **Investment** - recommend an asset allocation and portfolio strategy based on a client's individual investment objectives, risk tolerance, investment time horizon, and personal needs.
- **Retirement** - analyze and recommend strategies to improve the probability of meeting a client's retirement goals.
- **Estate** - review existing documents and assist in the construction of an estate plan that enables a client to pass assets to their heirs when they want and without substantial depletion from taxes and other transfer costs. Coordination with client's attorneys as needed.
- **Personal** - establish goals, budgeting / cash flow / debt management guidance, and financial statement analysis.
- **Taxes** - recommend strategies to reduce current and future income tax liability in conjunction with client's other tax professionals.
- **Death and Disability** - review cash needs at death, income needs of surviving dependants, estate planning and income analysis.

- **Asset Protection** - coordinate with client's attorneys to assist in protecting their assets from creditors and lawsuits.
- **Risk Management / Insurance** - review existing policies to help identify any coverage gaps and ensure proper coverage for life, health, disability, long term care, liability, home and automobile risks.
- **Education** - review and analyze the various alternatives clients have to meet personal or dependent's education needs.

An IAR of our firm will first meet with the client to gather pertinent information about their financial circumstances and objectives. Once such information has been reviewed and analyzed, a written financial plan - designed to achieve the clients' stated financial goals and objectives - will be produced and presented to the client. The principal objective of this process is to allow CFG to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client's financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to CFG. CFG cannot offer any guarantees or promises that the client's financial goals and objectives will be met. CFG does not offer legal advice. Clients should discuss all recommended legal and tax strategies with their professional legal and accounting advisors before implementing them. CFG makes no representation with respect to legal or tax matters, and it is the client's responsibility to consult with legal or tax counsel as necessary. As the client's financial situation, goals, objectives, or needs change, the client must notify CFG promptly.

Family Office Services

CFG offers family office consulting services where the firm oversees various investment accounts and financial issues on behalf of the client. Depending on the needs of the client, some of the family office services may include the following:

- Oversight and coordination of estate, income tax, cash flow, risk management and investment strategies with the client's other advisors
- Coordination of the asset allocation of the portfolio
- Assist in the selection and review of money managers
- Financial statement recordkeeping
- Track and monitor cash flow and assist clients in determining how their money is spent
- Assist with planning for future cash flow needs
- Reviews and recommendations regarding real and financial investments and property
- Charitable Planning
- Succession Planning
- General financial advice
- Review and/or negotiate with client's vendors and service providers to help determine the best options for the client
- Ongoing reports and reviews as appropriate

Clients may implement CFG's recommendations by placing securities transactions with any brokerage firm the client chooses. The client is under no obligation to act on CFG's recommendations. Moreover, if the client elects to implement any of the recommendations, the client is under no obligation to do so through CFG.

Investment Policy Statement:

Generally, clients grant CFG complete discretion over the selection and amount of securities to be bought or sold, the broker/dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, before CFG begins managing investments on behalf of any client, an Investment Policy Statement is prepared and agreed upon by the client to outline the parameters by which the portfolio will be managed. This Investment Policy Statement is prepared based on a discussion with the client regarding their objectives, tolerance and capacity for risk, overall financial situation, and any restrictions and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. A client may also impose restrictions or prohibitions of transactions in the securities of a specific industry. A client may also want to direct the firm to use a particular broker/dealer. CFG requests that clients notify CFG of any changes in their financial situation or investment objectives, or if they wish to impose, add or modify any reasonable restrictions to the management of their account.

Wrap Fee Programs:

CFG does not provide a wrap fee program.

Assets Under Management:

As of December 31, 2015, we provide continuous management services for \$277,786,250 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Compass Financial Group, Inc.'s (CFG) wealth management fees will be determined at the onset of the relationship and will depend on the advisory services needed by the client. The specific manner in which fees are charged by CFG is established in advance in a written agreement between the client and CFG. Generally, the fees charged by CFG for wealth management services are outlined below.

Portfolio Management Services

The annual fee for portfolio management services is billed quarterly in advance based on the market value of the assets on the last day of the preceding quarter. The billing for each quarterly period may be adjusted for additional contributions made within that period. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. No refunds will be made for a partial account withdrawal during a quarter. On an annualized basis, CFG's fee for portfolio management services is based on the following tiered fee schedule:

Assets Under Management	Annualized Fee*
On assets \$300,000, and up to \$1 million	1.10%
Plus, on assets over \$1 million, and up to \$2 million	0.85%
Plus, on assets over \$2 million, and up to \$3 million	0.75%
Plus, on assets over \$3 million, and up to \$6 million	0.65%
Plus, on assets over \$6 million, and up to \$9 million	0.55%
Plus, on assets over \$9 million	0.35%

For accounts less than \$300,000, the fee will be between 1.25 and 1.75 percent, which will be determined on a case-by-case basis.

For client investment advisory accounts, CFG provides advisory services on a fee basis. Individuals associated with CFG will not earn commissions as a result of any transactions in client accounts.

* Under certain situations, CFG's fees are subject to increase or decrease as circumstances warrant, such as more frequent reviews, extraordinary research requirements, or other types of additional services or as negotiated with client. Existing clients may pay higher or lower rates than those set forth in the fee schedule referenced above.

In CFG's discretion, the firm may allow business owners to aggregate business and personal accounts or the firm may allow accounts of immediate family members to be aggregated for the purposes of determining the advisory fee. CFG may allow such aggregation, for example, where CFG services accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow client(s) the benefit of an increased asset total, which could potentially cause the account(s) to be assessed a reduced advisory fee based on the breakpoints available in CFG's fee schedule as stated above.

At the inception of the advisory relationship, CFG may charge clients a \$1,000 to \$3,000 set up fee for consulting services and the preparation of an investment policy statement. CFG may waive or credit back start-up expenses in its discretion. CFG will never require prepayment of a fee more than six months in advance and in excess of \$1,200.

Payment of the fees will be made by the qualified custodian holding the client's funds and securities provided the client gives written authorization permitting the fees to be paid directly from their account. CFG will not have access to client funds for payment of fees without client consent in writing. Further, the qualified custodian agrees to deliver a quarterly account statement directly to the client. The client is encouraged to review their account statements for accuracy. CFG will receive a duplicate copy of the statement that was delivered to the client.

You may terminate the portfolio management agreement upon 30 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Clients that have retained CFG for portfolio management services may also request other wealth management services over time, including but not limited to income and estate tax planning, cash flow planning, risk assessments, education and retirement planning. In CFG's discretion, the firm may provide such additional wealth management services at no additional charge.

Financial Planning Services

CFG utilizes the following financial planning fee schedule:

Minimum Fee:	\$2,500
Assets in excess of \$500,000 or Income in excess of \$150,000:	\$3,500
Assets in excess of \$750,000 or Income in excess of \$175,000:	\$4,500

Assets in excess of \$1,000,000 or Income in excess of \$200,000 or One closely held business:	\$5,500
--	---------

Assets in excess of \$1,500,000 or Income in excess of \$250,000 or Two closely held business:	\$6,500
--	---------

Assets in excess of \$2,000,000 or Income in excess of \$300,000 or Two closely held business:	\$8,500
--	---------

For clients with assets in excess of \$2,500,000 or income in excess of \$400,000, fees will be determined on an individual basis. Fees will be communicated to the client for approval with a maximum fee of \$200,000. If client circumstances are unique, fees may be reduced or increased. These adjustments will be made during the initial consultation and communicated to the client for approval.

In CFG's discretion, the firm may also provide some financial planning services at no additional charge for those clients who have retained CFG for portfolio management services.

Hourly Fees: CFG charges an hourly fee of \$300 for clients who request specific consulting related services and do not desire a comprehensive written financial plan. These fees are generally calculated and payable at the completion of each session, although in some cases, they may be paid weekly, monthly or periodically in advance or arrears based on negotiations with each client.

Under certain situations, CFG's fees are subject to increase or decrease as circumstances warrant, such as more frequent reviews, extraordinary research requirements, or other types of additional services. Existing clients may pay higher or lower rates than those set forth in the fee schedule referenced above.

Generally, the fees for CFG's financial planning are payable in advance of services rendered; however, in limited circumstances, CFG may require that the client pay only an initial retainer of one-half of the estimated fee in advance of any services rendered. The remaining balance shall be due and payable upon completion of the contracted service. Under no circumstances will CFG require prepayment of a fee more than six months in advance and in excess of \$1,200.

The applicable fee will be determined when the scope of the financial planning has been agreed upon. The final fee shall be directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or service(s) requested. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, a representative of CFG will notify the client and they may request that the client pay an additional fee.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Family Office Services

Family office services are offered on a fixed fee basis at a cost of up to \$50,000 per quarter. The fee is payable quarterly in advance and is determined on a case-by-case basis depending on the scope of the requested services. Under no circumstances will CFG require prepayment of a fee more than six months in advance and in excess of \$1,200.

The applicable fee will be determined when the scope of the family office services has been agreed upon. The final fee shall be directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial planning or service(s) requested. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, a representative of CFG will notify the client and they may request that the client pay an additional fee.

CFG or the client may terminate the financial planning or family office agreement (agreement) by providing 30 days written notice to the other party. The client will incur a pro rata charge for bona fide advisory services actually rendered prior to such termination. In the event there are any prepaid unearned fees, CFG will refund a pro rata share to the client.

Clients that have retained CFG for portfolio management services may also have a need for family office services. In CFG's discretion, the firm may provide such additional services at no additional charge.

CFG's fees do not include brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Clients with mutual funds, exchange traded funds, closed end funds, hedge funds, and structured notes in their portfolios are effectively paying both CFG and the investment advisers or general partners for management of the client's assets because the mutual funds, exchange traded funds, closed end funds, hedge funds, and structured notes charge a separate management fee to all holders of these investments. Clients who place mutual funds, exchange traded funds, closed end funds, hedge funds, or structured notes under CFG's management are therefore subject to both CFG's direct management fee and the indirect management fee of other advisers. In some cases, CFG uses fund of fund arrangements. In those cases, clients are paying fees to the general partners of the limited partnerships, the general partner of the fund of funds, and CFG's direct management fee. Such charges, fees and commissions are exclusive of and in addition to CFG's fee, and CFG shall not receive any portion of these commissions, fees, and costs. The client should review all fees charged by mutual funds, exchange traded funds, closed end funds, hedge funds, structured notes, CFG and others to understand fully the total amount of fees to be paid by the client.

While not a substantial part of the firm's revenue, individuals associated with CFG may provide risk management and insurance services or products. CFG may receive commissions directly as a result of such activity. The client is under no obligation to act on CFG's recommendations. Moreover, if the client elects to implement any of the recommendations, the client is under no obligation to do so through CFG.

Item 6 Performance-Based Fees and Side-By-Side Management

Compass Financial Group, Inc. (CFG) does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). In addition, CFG is not a side-by-side manager (one that manages both accounts that are charged a performance based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee). See *Item 5 - Fees and Compensation* for a complete discussion of fees charged.

Item 7 Types of Clients

Compass Financial Group, Inc. (CFG) offers wealth management services including investment advisory, financial planning, and family office services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Account Minimums

In general, we require a minimum of \$300,000 to open and maintain an advisory account. Our wealth management services are offered to individuals with a net worth above \$500,000 or annual gross household income above \$150,000. At our discretion and on an individual basis, we may waive the minimum account size and/or the net worth and household income requirements. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

With respect to portfolio management services, for accounts less than \$300,000, the fee will be between 1.25 and 1.75 percent, which will also be determined on a case-by-case basis.

With respect to financial planning and family office services, fees will be determined on an individual basis for clients with assets in excess of \$2,500,000 or income in excess of \$400,000. Fees for financial planning, family office services, or specific purpose engagements will be communicated to the client for approval prior to commencement of the engagement. CFG has a maximum fee of \$200,000 and a minimum fee of \$2,500 for financial planning and family office services.

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

At Compass Financial Group, Inc. (CFG), we manage investment portfolios for clients with a focus on maintaining and increasing their wealth and income. Our primary objective is to preserve our client's wealth as much as possible in bad times or in periods of higher volatility. A secondary objective is to receive a good return with reasonable volatility (risk) during good times. We focus on these objectives by designing global macro oriented investment portfolios with a multi-strategy approach. To do this, we invest globally in equities/stocks, bonds, currencies, commodities, alternative investments, fixed income strategies and cash. We may at times have positions in the United States (US), Latin America, Asia and Europe, among other locations. We sometimes use downside protection strategies that may reduce portfolio fluctuations. Such strategies may include tactical portfolio shifts (short and intermediate adjustments that vary from the expected long term allocation) or larger allocations to cash. Downside protection strategies may also include the use of options or inverse hedging positions (which move in the opposite direction of the underlying market which they track).

We combine our approach with an Asset Allocation methodology and research with consideration of absolute return strategies, long only strategies, long/short strategies, cash flow strategies, and economic opportunities. Simply stated, Asset Allocation is the process of selecting a mix of asset classes and the allocation of capital to those assets by matching the client's goals and objectives with

their tolerance for risk. Risk tolerance is an investor's ability or willingness to endure declines in the value of their investment portfolio in an attempt to achieve their long term objectives. Proper portfolio design is more than a one-dimensional process of selecting the right stock, bond, money manager, investment, strategy, mutual fund, or property to place in a portfolio.

The goal is not to "beat the market" but to establish an investment strategy using a mix of assets. Asset Allocation provides diversification by distributing your investment dollars among many asset classes, such as, but not limited to, domestic equities, international equities, cash flow strategies, absolute return strategies, new economic opportunities, domestic bonds, international bonds, cash equivalents, real estate, and other asset classes. This strategy positions you to offset fluctuating market prices because asset classes and strategies tend to perform differently over time and in different market conditions.

Before CFG begins managing investments on behalf of any client, an Investment Policy Statement is prepared and agreed upon by the client to outline the parameters by which the portfolio will be managed. This Investment Policy Statement is prepared based on a discussion with the client regarding their objectives, tolerance and capacity for risk, overall financial situation, and any restrictions and/or conditions imposed by the client. Once the Investment Policy Statement is in place, CFG implements the allocation decisions through the purchase of various investment types, vehicles and strategies. These strategies consider both strategic and tactical portfolio rebalancing to help control the desired level of principal risk.

Strategic asset allocation refers to the dividing of investments among different asset classes in an attempt to best capture the risk to reward trade-off consistent with the client's specific situation and goals. Strategic rebalancing is the rebalancing of the portfolio to the long term strategic allocation mix. Tactical asset allocation is a method of investing in which the asset allocation is modified according to the opportunities of the markets in which they are invested. Such tactical allocations may be used to exploit market disequilibrium that may emerge, take advantage of perceived economic opportunity, or control portfolio risk.

Within the parameters of the Investment Policy Statement, CFG has the discretion to make changes to the allocation from time to time, based on changing economic circumstances, fundamental analysis, technical analysis and/or the various relative investment opportunities as perceived by CFG. These tactical allocation changes may be short, intermediate, or long term changes. While CFG takes into consideration each client's specific objectives, risk tolerance, time horizon, restrictions and personal needs, CFG may use a variety of investment types, vehicles and strategies to implement the asset allocation decision. Investment types that CFG may consider, without limitation, for client accounts include individual securities (both US and foreign stocks and bonds), corporate debt securities, municipal securities, United States government securities, commercial paper, certificates of deposit, precious metals and commodities, and preferreds.

Investment vehicles that CFG may consider, without limitation, for client accounts include individual securities, exchange traded funds (ETFs), exchange traded notes (ETNs), closed end funds (CEFs), REITs (mortgage or real estate REITs), mutual funds, structured notes, fund of fund hedge funds, hedge funds, commercial mortgage backed securities, asset backed securities, unit investment trusts, limited partnerships, and deferred annuities.

Investment strategies CFG may use, without limitation, include cash flow strategies, absolute return strategies, long only strategies, long/short strategies, and various alternative investments strategies. Such alternative investments may include statistical arbitrage, risk arbitrage, convertible arbitrage, alternative fixed income arbitrage, options, market timing, macro economic, inverse hedging, emerging market, and country specific investment strategies. CFG may also recommend the use of short sales,

trading (securities sold within 30 days), margin transactions, or option writing. Investments that may separately be considered risky may be used in appropriate combination with other assets when taking into consideration the contribution of risk to the overall portfolio.

When determining the investments and strategies used to implement a client's investment portfolio, CFG may use research developed internally and also considers various sources of information. Such sources may include financial newsletters, recommendations from analysts and consultants, financial newspapers and magazines, research materials prepared by third parties, corporate rating services, company press releases, inspection of corporate activities, annual reports, prospectuses, filings with the Securities and Exchange Commission, timing and charting services, cyclical trends, and/or statistical analysis.

Investment types and vehicles referenced above shall be chosen with consideration for some of the following criteria:

- Past performance, considered relative to other investments having the same investment objective or category (style)
- Risk adjusted return
- The historical volatility
- The investment style and discipline of the proposed manager if applicable
- Investment opportunity
- How the investment complements other assets in the portfolio
- The current economic environment
- Fundamental or technical analysis or a combination of the two, sometimes referred to as Fusion Analysis
- Quantitative analysis
- Qualitative analysis factors such as, but not limited to, review of the firm's philosophy and investment process, the people that work at the firm, the firm's business plans, the products they offer, and how they develop new ideas
- The likelihood of future investment success, relative to other opportunities
- Fees

When considering a money manager, such as a mutual fund, both qualitative and quantitative factors are usually considered.

Outlined below are additional details regarding some of the investments and strategies that may be used in client portfolios and the risks that may be associated with them.

Cash Equivalent Vehicles

Cash equivalent investments may be in pooled investment vehicles, such as money market funds. Also permitted in this category shall be United States agency-guaranteed bank certificates of deposit (purchased directly from banks or indirectly through brokerage accounts) or short-term U.S. government securities. Any such bank certificates of deposit shall be held in amounts no greater than the upper limit of the U.S. guarantee.

Common Stocks

Common stock investments may be in individual securities, separate account money managers, or in pooled investment vehicles, such as publicly traded open-end mutual funds, closed-end investment companies, Real Estate Investment Trusts, or exchange traded funds providing daily asset valuations. Such investments may include focus on any size domestic or non-U.S. stock.

Bond Funds and Other Fixed Income Vehicles

Investment in bonds and similar fixed income instruments may be in individual bonds, separate account managers, preferreds, or pooled investment vehicles, such as publicly traded open-end mutual funds, closed-end investment companies, Real Estate Investment Trusts, Commercial Mortgage Backed Securities, Asset Backed Securities, or exchange traded funds. Such vehicles may or may not provide daily valuations.

Alternative Investments and Additional Investments

CFG considers alternative investments as those investment assets that do not "fit" into the traditional investment classes such as stocks, bonds or cash. When appropriate to the needs and risk tolerance of the client, CFG may use alternative investments in client portfolios. Such investments may include all alternative investment strategies, including those outlined earlier in this item, either publicly available or limited in scope and therefore not available to the general public. Such vehicles may or may not provide daily valuations.

Principal Risks regarding Methods of Analysis and Investment Strategies

While CFG attempts to manage the risks of investment portfolios with its multi-strategy diversified approach, investment portfolios are still subject to a number of risks associated with the investment holdings. Portfolios that contain domestic and foreign stocks may be subject to, but not limited to, the following risks:

- **Stock market risk** - The chance that stock prices overall will decline.
- **Currency risk** - The chance that the value of foreign stocks, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.
- **Country risk** - The chance that world events - such as political upheaval, financial troubles, or natural disasters - will adversely affect the value of securities issued by companies in foreign countries.
- **Firm specific risk** - The risk associated with owning a single company stock that may be negatively affected by different factors than the overall stock market. Some examples include negative publicity, product failure or recalls, or bankruptcy.

Portfolios containing bonds may be subject to, but not limited to, the following risks:

- **Interest rate risk** - The chance that bond prices overall will decline because of rising interest rates.
- **Credit risk** - The chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make sure payments will cause the price of the bond to decline, thus reducing the investor's total return.
- **Income Risk** - The chance that an underlying fund's income will decline because of falling interest rates.
- **Call Risk** - The chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates.
- **Reinvestment Risk** - The chance that investors would be forced to reinvest the proceeds of a bond that was called or matured at a lower rate than previously invested, resulting in a decline in the underlying portfolio's income.

Other risks, without limitation, that may be part of various client investment holdings or strategies include the following:

- **Liquidity risk** - The inability to sell an investment position at the expected price.

- **Lack of Marketability risk** - The inability to sell an investment. Lack of marketability may be due to investment lock-up periods.
- **Asset allocation risk** - The risk that the allocation of investments to various asset classes may negatively impact the performance of the portfolio when one or more of the asset classes are performing poorly in comparison to other asset classes.
- **Leverage Risk** - Since leverage magnifies both gains and losses, an investment that uses leverage can expose the investor to a greater loss if the investment moves against the investor, than it would have been if the investment had not been leveraged.
- **Derivatives Risk** - The risk of investing in derivative instruments, including liquidity, interest rate, market, credit and management risks, mispricing or improper valuation. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and a fund or investment manager utilizing derivatives could lose more than the principal amount invested.
- **Inflation Risk** - Inflation may reduce the purchasing power of stocks and fixed income securities, cause volatility in the markets, and devalue the income on interest-bearing securities.
- **Manager Risk** - The chance that poor security or money manager selection will cause the client's portfolio to underperform.
- **Mortgage-Related and Other Asset-Backed Risk** - The risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, and prepayment risk.
- **Operational Risk** - The risk that deficiencies in information systems or internal controls, human errors or management failures will result in investment losses. It also includes the risk of loss due to breakdowns or weaknesses in internal controls and procedures.

Portfolios containing alternative investments may be subject to any or all of the risks mentioned above.

Any investment vehicles which provide a prospectus, offering memorandum, or other related documents may provide a more detailed discussion of risks associated with that investment.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Diversification does not assure against market loss. Past performance is in no way an indication of future performance.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Compass Financial Group, Inc. (CFG) or the integrity of CFG's management. CFG and its management persons do not have any legal or disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Compass Financial Group, Inc. (CFG) abides by a Code of Ethics in regards to all of its practices, policies, etc. This code sets forth a standard of business conduct required of all employees that recognizes their fiduciary obligation to each client and that mandates honest and ethical conduct at all times. It means that CFG has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at CFG must acknowledge the terms of the Code of Ethics annually, or as amended.

CFG or individuals associated with CFG may buy or sell - for their personal account(s) - investment products identical to those recommended to clients. It is the expressed policy of CFG that no person employed by CFG may purchase or sell any security prior to transactions implemented for an advisory account, therefore preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with CFG's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. CFG will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

CFG does not recommend to clients, nor buy nor sell for client accounts, securities in which the Advisor or a related person has a material financial interest nor will the firm affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

As these situations may represent a conflict of interest, CFG has established the following restrictions in order to ensure its fiduciary responsibilities:

- CFG emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions on the overall management of their account.
- Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry.
- No associated person of CFG shall prefer his or her own interest to that of the advisory client. Investment opportunities must be offered first to clients before CFG or associated persons may participate in such transactions.
- CFG and its associated persons generally may not purchase and sell securities being considered for, or held by client accounts without pre-clearance from the Compliance Officer.
- CFG and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from CFG's Compliance Officer.
- CFG requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Records will be maintained of all securities bought or sold by CFG, associated persons of CFG, and related entities. A qualified representative of CFG will review these records on a regular basis.
- Any individual not in observance of the above may be subject to termination.

Our investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of CFG's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with CFG's records in the manner set forth above.

The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest.

In accordance with Section 204-A of the Investment Advisers Act of 1940, CFG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by CFG or any person associated with CFG.

Confidentiality

As an employee of CFG, associated persons may learn confidential information concerning CFG and its clients. "Confidential information" generally means all information not publicly available (through the media or public records) and includes, but is not limited to:

- The composition of client portfolios.
- Certain records, procedures and other proprietary information.
- Family or personal information.

It is CFG's policy that individuals employed by the firm must not disclose, directly or indirectly, any confidential information to anyone other than CFG personnel and authorized professional advisors, such as broker/dealers, attorneys, and accountants, who need such information in order to discharge their professional services.

The full text of CFG's Code of Ethics is available to you upon request.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of TD Ameritrade, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

CFG participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. CFG receives some benefits from TD Ameritrade through its participation in the Program.

Research and Other Soft Dollar Benefits

As disclosed above, CFG participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between CFG's participation in the program and the investment advice it gives to its clients, although CFG receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include receipt of duplicate client statements, access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and exchange traded funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Adviser by third party vendors. The benefits received by Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Soft-Dollar Arrangements

Generally, in addition to a broker/dealer's ability to provide the "best execution," CFG may also consider the value of "research" or additional brokerage products and services a broker/dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are generated through client transactions, the firm could be considered to have a conflict of interest in allocating client brokerage business. It could receive valuable benefits by selecting a particular broker/dealer to execute client transactions and the transaction compensation charged by that broker/dealer might not be the lowest compensation the firm

might otherwise be able to negotiate. In addition, the firm theoretically could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers, who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker/dealer, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker/dealer for a particular transaction or set of transactions may be greater than the amounts another broker/dealer who did not provide research services or products might charge. In some cases, with a particular client's consent, we may consider a broker/dealer's provision of non-research products and/or services (i.e., products or services that we do not use in making investment decisions or executing transactions for clients). In such cases, however, the products or services involved are used solely for the benefit of the client in whose account the commissions or other fees are incurred.

Research and Brokerage Products and Services. "Research" products and services we may receive from broker/dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

Amount and Manner of Payment. A broker/dealer through whom the firm wishes to use soft dollars may establish "credits" arising out of brokerage business done in the past, which may be used to pay, or reimburse the firm for, specified expenses. In other cases, a broker/dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The actual level of transactional business the firm does with a particular broker/dealer during any period may be less than such a suggested level, but may exceed that level and may generate unused soft dollar "credits." Where a client has authorized us to consider a broker/dealer's provision of services outside the Section 28(e) safe harbor, a broker/dealer may generate "credits" based on transactions effected in the past and allow the firm to use such "soft dollars" to acquire services and products provided by third parties. We do not exclude a broker/dealer from receiving business simply because the broker/dealer has not been identified as providing soft dollar research products and services, although we may not be willing to pay the same commission to such broker/dealer as we would have paid had the broker/dealer provided such products and services.

As part of its fiduciary duties to clients, CFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CFG, or its related persons, in and of itself creates a potential conflict of interest.

On occasion, CFG may receive benefits from companies that are currently doing business with CFG, or that CFG is considering doing business with. Benefits from these companies may include, but is not limited to, such things as expenses paid for due diligence trips.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Some clients may instruct CFG to use one or more particular broker/dealers for the transactions in their accounts. Clients who may want to direct the firm to use a particular broker/dealer should understand that this might prevent CFG from aggregating orders with other clients or from effectively negotiating brokerage compensation on their behalf. This arrangement may also prevent CFG from obtaining the most favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses and execution, clearance, and settlement capabilities, they will obtain through their broker/dealer are adequately favorable in comparison to those that CFG would otherwise obtain for its clients.

Aggregation of Orders

Where CFG buys or sells the same security for two or more clients, CFG may place concurrent orders with a single broker/dealer, to be executed together as a single "block" in order to facilitate orderly and efficient execution. Whenever the firm aggregates trades, each account on whose behalf an order is placed is determined in advance of order placement. Each account receives the average price of the overall order and pays a transaction cost.

Item 13 Review of Accounts

Review of Client Accounts

Compass Financial Group, Inc. (CFG) will periodically review the performance of all client investment accounts (whether the transactions were executed through the advisory agent or by another entity, as long as the client keeps the advisory agent apprised of their actions) in light of the client's identified needs, objectives and financial plan, unless the client instructs otherwise. These reviews will be conducted by an Investment Advisor Representative (IAR) of CFG. CFG advises clients to request a review from their advisor at least annually, or more frequently if required. CFG makes no representation with respect to legal or tax matters, and it is the client's responsibility to consult with legal or tax counsel as necessary. CFG is not responsible if a transaction(s) in a client account results in a tax consequence of any kind.

There is no minimum number of accounts assigned for the reviewer. Investment recommendations are made in light of the clients identified needs, objectives, and established investment policy as well as the current economic and market conditions.

Account reviews may be triggered by any one or more of the following events:

1. specific client request;
2. change in client's goals and objectives;
3. tax laws;
4. changes in the economy; and

5. imbalance of portfolio asset allocation.

Reports

CFG will provide reports to clients on an as needed basis. Such reports may or may not be in writing, and may entail different depths of analysis for the client. Quarterly reports may be provided directly to the client. This report may include description of client holdings, total net assets, management fees and the method of calculation.

Item 14 Client Referrals and Other Compensation

Compass Financial Group, Inc. (CFG) does not participate in referral programs that require payment for clients referred to CFG.

While not a substantial part of the firm's revenue, individuals associated with CFG may provide risk management and insurance services or products. CFG may receive commissions directly as a result of such activity. The client is under no obligation to act on CFG's recommendations. Moreover, if the client elects to implement any of the recommendations, the client is under no obligation to do so through CFG.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from discount brokers in connection with utilizing their brokerage services.

Beyond the disclosures provided in this Brochure, we do not receive any compensation from any third party in connection with providing investment advice to you.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before Compass Financial Group, Inc. (CFG) can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

CFG generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold, the broker/dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Clients who engage CFG on a discretionary basis may, at anytime, impose restrictions, on CFG's discretionary authority. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. A client may also impose restrictions or prohibitions of transactions in the securities of a specific industry. A client may also want to direct the firm to use a particular broker/dealer. CFG requests that clients notify CFG of any changes in their financial situation or investment objectives, or if they wish to impose, add or modify any reasonable restrictions to the management of their account. Investment guidelines and restrictions must be provided to CFG in writing.

Item 17 Voting Client Securities

Compass Financial Group, Inc. (CFG) will not vote proxies on behalf of our advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Compass Financial Group, Inc.'s (CFG) financial condition. CFG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

Compass Financial Group, Inc. is an SEC-Registered Adviser; hence this requirement is not applicable.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

For accounts custodied at TD Ameritrade, as of April 1, 2014, if a profit results from correcting the trade, you will not retain the profit as all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.