



Form ADV Part II

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This brochure provides information about the qualifications and business practices of Personal Financial Group. If you have any questions about the contents of this brochure, please contact us at 913-451-7526. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Being a "Registered Investment Advisor" should not imply a certain level of skill or training.

Additional information about Personal Financial Group is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The firm updated its disclosures with respect to compensation structures and wrap fee program arrangements through LPL. Please read this brochure carefully and should you have any questions please contact our Chief Compliance Officer, Linda Migliazzo at (913) 451-PLAN (7526).

Table of Contents

Form ADV Part II.....	0
Material Changes	1
Table of Contents.....	2
Advisory Business.....	5
Our Firm	5
Services We Offer.....	5
Fees and Compensation.....	6
Fee-Only Compensation.....	6
Annualized Fees	7
Third Party Advisory Referrals	8
Financial Planning/Consulting Services Fees.....	8
Additional Client Fees Charged	9
External Compensation for the Sale of Securities to Clients.....	9
Performance-Based Fees and Side-By-Side Management.....	9
Types of Clients	9
Methods of Analysis, Investment Strategies and Risk of Loss	10
Methods of Analysis and Investment Strategies.....	10
Material Risks of Investment Instruments.....	10
Security-Specific Material Risks	12
Disciplinary Information.....	12
Criminal or Civil Actions	12
Administrative Enforcement Proceedings	12
Self-Regulatory Organization Enforcement Proceedings	12
Other Financial Industry Activities and Affiliations.....	13
Broker-Dealer or Representative Registration.....	13
Futures or Commodity Registration.....	13
Material Relationships Maintained by this Advisory Business and Conflicts of Interest	13
Recommendation or Selection of Other Investment Advisors and Conflicts of Interest	13
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14

Code of Ethics Description	14
Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest ..	14
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest ...	14
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.....	15
Brokerage Practices	15
Custodian Recommendations	15
How We Select Brokers/Custodians to Recommend	15
Soft Dollar Arrangements	16
Institutional Trading and Custody Services	16
Other Products and Services	16
Independent Third Parties	17
Additional Compensation Received from Custodians.....	17
Brokerage for Client Referrals.....	18
Aggregating Securities Transactions for Client Accounts.....	18
Review of Accounts.....	20
Client Referrals and Other Compensation	20
Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest	20
Advisory Firm Payments for Client Referrals	20
Custody	20
Investment Discretion.....	21
Voting Client Securities	21
Financial Information	21
A. Balance Sheet	21
B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients	22
C. Bankruptcy Petitions During the Past Ten Years	22
Appendix I	0
Fee-Based Advisory Services	0
Material Changes	1
Services, Fees and Compensation.....	2
Introduction	2
Services	2
Program Fees and Compensation	2

Disclosure of Cost Difference if Services Purchased Separately	4
Additional Client Fees and Terms of Payment	4
Compensation for Recommending the Wrap Fee Program	5
External Compensation for the Sale of Securities to Clients.....	5
Client Assets Under Management	5
Account Requirements and Types of Clients	5
Program Manager Selection and Evaluation	5
Portfolio Manager Selection and Review	5
Client-Tailored Services and Client-Imposed Restrictions	6
Performance-Based Fees and Side-by-Side Management	6
Methods of Analysis, Investment Strategies and Risk of Loss	6
Security Specific Information	6
Proxy Voting.....	8
Client Information Provided to Portfolio Managers	8
Client Contact with Portfolio Managers	9
Additional Information.....	10
Disciplinary	10
Other Financial Industry Activities and Affiliations	10
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Factors Used to Select Broker-Dealers for Client Transactions	12
Review of Accounts	16
Client Referrals and Other Compensation	17

Advisory Business

Our Firm

Personal Financial Group (PFG) is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and is a corporation organized under the laws of the State of Kansas. PFG was established in March 1998 with Don Clark as the sole shareholder.

PFG, through its investment advisor representatives, provides financial planning services to individuals and businesses which may include advice on taxes, investments, insurance, estate planning, college planning, retirement and general financial matters. The services provided by Personal Financial Group are tailored to each individual or entity depending on their needs, individual circumstances, objective, and tolerance for risk.

Services We Offer

Financial Planning

PFG, through its Investment Advisor Representatives ("IARs"), offer a variety of financial planning services, principally advisory in nature, to individuals or families regarding the management of their financial resources, based upon an analysis of client's needs. Generally, such financial planning services will involve preparing a financial program for a client based on the client's financial circumstances and objectives. This information normally would cover present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits.

The program developed for the clients will usually include recommendations for specific actions to be taken by the clients. For example, recommendations may be made that the client obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts, or invest funds in securities. PFG's IARs may assist clients in developing estate plan recommendations and/or referring clients to an accountant or attorney. PFG does not provide legal, tax, or accounting services.

PFG's IARs may also create a cash flow analysis or work with and advise the clients as to the rearrangement of cash flow to fund certain long-term objectives such as buying a house, planning for college, retirement, etc.

Tax and estate planning services include assisting the clients in either developing and/or reviewing an existing estate plan to ensure its adequacy given the client's needs concerning wealth transition, succession planning, charitable giving, family issues, and related matters. PFG recommends the use of competent legal and tax professionals with respect to the implementation and ongoing management of the estate.

Asset Management Services

Asset management services may be offered to clients on a non-wrap basis (client incurs separate charges for investment advisory services and separate charges for trading from the custodian) or on a wrap basis such as LPL's SWM II investment platform. In a wrap platform, clients will be charged a flat fee for assets under management. Under this arrangement, trading fees and investment advisory fees will be bundled together and charged in one inclusive fee. Please see Appendix 1 to this disclosure brochure for further information.

Personal Financial Group provides investment advisory services to its clients on a discretionary basis and non-discretionary basis. For its discretionary asset management services, PFG receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in the Methods of Analysis, Investment Strategies and Risk of Loss section of this brochure. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. Account management is guided by the stated objectives of the client. In addition, the IAR considers the client's risk profile and financial status prior to making any recommendations.

Third-Party Asset Managers

PFG has entered into agreements with various third-party investment managers. Under these agreements, PFG offers clients various types of programs sponsored by these managers. All third-party investment advisers to whom PFG will refer clients will be licensed as investment advisers by their resident state and any applicable jurisdictions or registered investment advisers with the Securities and Exchange Commission.

After gathering information about a client's financial situation and investment objectives, PFG will assist the client in selecting a particular third-party program. PFG receives compensation pursuant to its agreements with these third-party advisers for introducing clients to these third-party advisers and for certain ongoing services provided to clients.

As of December 31, 2016, our total Assets managed is \$338,529,722.86. Of these assets, \$3,078,549.72 are managed on a Non-Discretionary base and \$335,451,173.14 are managed on a Discretionary basis.

Fees and Compensation

Fee-Only Compensation

All investment programs offered by PFG, other than LPL's SWM II investment program, may be offered on a non-wrap fee basis. Fees for such non-wrap program services are detailed below. For information regarding fees and conflicts of interest for LPL's SWM II program, please refer to Appendix 1, Exhibit A of this disclosure brochure.

The client can determine to engage PFG to provide discretionary or non-discretionary investment advisory services on a *fee-only* basis. PFG's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Advisor's management in according to the fee schedule to the *Investment Advisory Agreement* between the PFG and the client.

Management fees are paid quarterly in advance and are negotiable. Each IAR may determine an applicable fee schedule, not to exceed the following maximum fee limits. Actual client fees will be stated in the service agreement.

Fees are due on the first day of the calendar quarter, and may be billed directly to the client or deducted from the advisory account. Fees are based on the account's asset value as of the last business day of the prior calendar quarter and are prorated for accounts opened during the quarter. Annualized fees for investment programs other than LPL's SWM II platform are as follows:

Annualized Fees

Account Size	Max. Client Fee
\$50,000 to \$99,999	2.00%
\$100,000 to \$249,000	2.00%
\$250,000 to \$499,999	2.00%
\$500,000 to \$749,999	2.00%
\$750,000 to \$1,249,999	2.00%
\$1,250,000 to \$4,999,999	2.00%
Over \$5,000,000	2.00%

Prior to engaging PFG for investment advisory services, the client will be required to enter into a formal *Investment Advisory Agreement* with PFG setting forth the terms and conditions under which PFG shall manage the client's assets, and a separate custodial/clearing agreement with *LPL*.

An advisory client may unconditionally rescind the agreement and receive a full refund of all fees at any time. If terminated after the beginning of a billing cycle, your refunded fees will be pro-rated appropriately.

The account custodian may charge fees, which are in addition to and separate from the investment advisory service fee. Custodians may charge accounts for various transaction costs, retirement plan and administration fees. In addition, some mutual fund assets deposited in the account may be subject to deferred sales charges and 12 (b)-1 fees and other mutual fund annual expenses as described in each fund's prospectus. Advisory clients should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

Important Disclosure – Custodian Investment Programs

Please be advised that the firm utilizes LPL Financial as its primary custodian, which is described in detail under Brokerage Practices section of this Part 2A disclosure brochure. Under this arrangement we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

Limitation on Mutual Fund Universe for Custodian Investment Programs: Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. Nonetheless, if the firm decides to take these 12b-1 fees in the future, please note the following: There are certain programs offered by our custodian in which the firm participates that limit the types of mutual funds and mutual fund share classes to those in which our custodian has negotiated the receipt of 12b-1 and/or other revenue sharing fee payments from the mutual fund issuer or sponsor. As such, a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client. Such fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of

interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the broker-dealer receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

Additional Disclosure Concerning Wrap Programs: In addition, our custodian offers certain wrap fee programs that (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Our wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described elsewhere in this Brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees borne by the client. Should a client prefer an A-Share class or mutual fund share class that has embedded 12b-1 and/or revenue sharing fees, then the utilization of such funds within the wrap fee program requires specific written client consent acknowledging the conflict. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

Third Party Advisory Referrals

Since compensation PFG receives may differ depending on the agreement with each third-party adviser, PFG may have an incentive to recommend one third-party advisers over another, if the compensation arrangements are more favorable. Since the independent third-party adviser may pay the fee for the investment advisory services of PFG, the fee paid to PFG is not negotiable, under most circumstances.

Financial Planning/Consulting Services Fees

PFG provides financial planning, consulting and plan update services to individuals and businesses. PFG may also provide non-securities advice on topics that may include but are not limited business, retirement, estate, budgetary, college, personal and business tax planning.

PFG charges a fixed fee for planning and consulting services. Fixed fees generally range from \$500 to \$5,000 based on the range and complexity of the services being provided. Fees are due and payable upon completion of the plan or services.

If clients elect to implement recommendations made in a financial plan, their accounts may incur transaction costs, retirement plan administration fees, and other mutual fund annual expenses. These fees are in addition to and separate from planning and consulting fees.

Clients may terminate an agreement by providing PFG with written notice prior to delivery of the plan or completion of the service. PFG may terminate an agreement by providing written notice to clients. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.

Additional Client Fees Charged

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using PFG may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

External Compensation for the Sale of Securities to Clients

The IAR provides financial planning advice and asset management advice on a fee-paid basis. Certain financial products, however, can be purchased from PFG's IARs who are dually licensed as registered representatives of a FINRA registered broker-dealer. If these products are purchased by the client, such IARs will receive a commission. As such the IAR may have an economic incentive to recommend commission-based products versus products that do not involve the receipt of commissions.

Performance-Based Fees and Side-By-Side Management

PFG does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Types of Clients

PFG provides investment advice to individuals, high net worth individuals, trusts, small businesses, pensions, charitable organizations and other Corporations. The Adviser generally requires a minimum of \$50,000 in Assets Under Management to establish a new advisory account; however, the minimum may be waived at the sole discretion of PFG. In addition, the Adviser may continue to service existing accounts that have values that are below the minimum. Accounts are generally subject to no minimum fee per year.

See Appendix 1 for information regarding LPL's SWM II Program.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

PFG uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. We do use a fundamental approach, such as economic conditions, earnings, industry outlook, politics (as it relates to the investment), historical data, price-earnings ratios, dividends, general level of interest rates, company management and tax benefits. We attempt to select clients' investments to harmonize with their financial objectives.

In addition, PFG reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. PFG may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

PFG generally makes long-term recommendations with occasional short-term strategies as the circumstances may indicate. Our investment philosophy focuses on proper diversification and asset allocation over the long haul. Short-term strategies employed may include dollar cost averaging programs, temporary/interim repositioning of assets, and tax-advantaged strategies (e.g. selling short against the box, and security sales to realized losses with subsequent repurchases in 31 days).

Clients should keep in mind that investing in investments products may involve a risk of loss that they should be prepared to bear.

Important Disclosure – Custodian Investment Programs

Please be advised that the firm utilizes LPL as its primary custodian, which is described in detail under the Brokerage Practices section of this Part 2A disclosure brochure. Under this arrangement we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please see Fees and Compensation section of this Brochure for detailed information.

Material Risks of Investment Instruments

Certain mutual funds invest primarily in alternative investments and/or alternative strategies. Investing in alternative investments and/or alternative strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, leverage, selling securities short, use of derivatives, potential adverse market forces, regulatory changes and potential liquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.

Exchange Traded Funds (ETFs) may be purchased. ETFs are typically investment companies that are legally classified as open end mutual funds or a unit investment trusts. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF

shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company under the Investment Company Act of 1940.

Exchange Traded Notes (ETNs) also may be purchased. An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. The risks associated with a particular ETN are set forth in the prospectus for the ETN. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the issuer’s ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.

Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and are generally not appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

Structured products are available for purchase. Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The credit worthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer’s ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer’s credit rating is downgraded. Investing in structured products involves risks. Some structured products offer full protection of the principal invested, others offer only partial or no protection. A client in a

structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. Any principal protection that is offered is subject to the credit worthiness of the issuer. Clients may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC will be subject to applicable FDIC limits.

Hedge funds are available for purchase by clients meeting certain qualification standards. Investing in hedge funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity. In addition, hedge funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Clients should be aware that hedge funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the hedge fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the hedge fund during the repurchase offer.

Managed futures are available by clients meeting certain qualification standards. Investing in managed futures involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices, the lack of liquidity and performance volatility. Clients should be aware that managed futures are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the managed futures fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the managed futures during the repurchase offer.

Security-Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). As a general rule, clients who have diversified portfolios incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Disciplinary Information

Criminal or Civil Actions

There is nothing to report on this item.

Administrative Enforcement Proceedings

There is nothing to report on this item.

Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Members and registered advisory personnel of PFG are registered representatives of LPL Financial LLC, a FINRA-registered broker-dealer and member of SIPC. LPL Financial is a financial services company engaged in the sale of investment products. As a result of PFG members and registered professionals' affiliation with LPL, such professionals, in their capacity as registered representatives of LPL, are subject to the general oversight of LPL and the Financial Industry Regulatory Authority Inc. ("FINRA"). As such, clients of PFG should understand that their personal and account information is available to FINRA and LPL for the fulfillment of their regulatory oversight obligations and duties.

Futures or Commodity Registration

Neither PFG nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

PFG professionals who effect transactions for advisory clients may receive transaction or commission compensation from LPL. The recommendation of securities transactions for commission creates a conflict of interest in that PFG is economically incented to effect securities transactions for clients. Although PFG strives to put its clients' interests first, such recommendations may be viewed as being in the best interests of PFG rather than in the client's best interest. PFG advisory clients are not compelled to effect securities transactions through LPL.

Certain managers, members, and registered employees of PFG are licensed insurance agents. With respect to the provision of financial planning services, PFG professionals may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Please also be advised that PFG strives to put its clients' interests first and foremost, and clients may utilize any insurance carrier or insurance agency they desire. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with PFG's professionals' employing broker-dealer.

Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

Although PFG does not receive any remuneration from advisers, investment managers, or other service providers that it recommends to clients, the firm engages sub-advisers to manage PFG client accounts and receives a portion of the advisory fees charged by PFG for its investment management services. Such compensation arrangements may differ between managers and therefore PFG has an economic incentive to recommend managers that yield a higher fee to PFG. PFG manages this risk by only

recommending manager and underlying strategies that are appropriate given a particular client's investment goals, objectives, tolerance for risk, and financial circumstances.

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

Code of Ethics Description

In accordance with the Advisers Act, PFG has adopted policies and procedures designed to detect and prevent insider trading. In addition, PFG has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of PFG's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of PFG. PFG will send clients a copy of its Code of Ethics upon written request.

PFG has policies and procedures in place to ensure that the interests of its clients are given preference over those of PFG, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

PFG does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, PFG does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

PFG, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which PFG specifically prohibits. PFG has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions

- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow PFG's procedures when purchasing or selling the same securities purchased or sold for the client.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

PFG, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other PFG clients. PFG will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of PFG to place the clients' interests above those of PFG and its employees.

Brokerage Practices

Custodian Recommendations

PFG may recommend that clients establish brokerage accounts with LPL Financial ("custodian"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although PFG may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. PFG is independently owned and operated and not affiliated with custodian. For PFG client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

PFG considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances, and subject to approval by PFG, PFG will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by PFG will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

How We Select Brokers/Custodians to Recommend

PFG seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

Soft Dollar Arrangements

PFG does not utilize soft dollar arrangements. PFG does not direct brokerage transactions to executing brokers for research and brokerage services.

Institutional Trading and Custody Services

The custodian provides PFG with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. These services are not contingent upon PFG committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Other Products and Services

Custodian also makes available to PFG other products and services that benefit PFG but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of PFG's accounts, including accounts not maintained at custodian. The custodian may also make available to PFG software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of PFG's fees from its clients' accounts

- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help PFG manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of PFG personnel. In evaluating whether to recommend that clients custody their assets at the custodian, PFG may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to PFG. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to PFG.

Additional Compensation Received from Custodians

PFG may participate in institutional customer programs sponsored by broker-dealers or custodians. PFG may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between PFG's participation in such programs and the investment advice it gives to its clients, although PFG receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving PFG 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 with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to PFG by third-party vendors

The custodian may also pay for business consulting and professional services received by PFG's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for PFG's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit PFG

but may not benefit its client accounts. These products or services may assist PFG in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help PFG manage and further develop its business enterprise. The benefits received by PFG or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

PFG also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require PFG to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, PFG will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by PFG's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for PFG's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, PFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by PFG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence PFG's recommendation of broker-dealers for custody and brokerage services.

Brokerage for Client Referrals

PFG does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients. PFG typically recommends LPL as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf. Occasionally, clients may direct PFG to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage PFG derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. PFG loses the ability to aggregate trades with other PFG advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

Aggregating Securities Transactions for Client Accounts

Best Execution

PFG, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. PFG recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. PFG will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement

- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, PFG seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of PFG's knowledge, these custodians provide high-quality execution, and PFG's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, PFG believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

Security Allocation

Since PFG may be managing accounts with similar investment objectives, PFG may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by PFG in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

PFG's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. PFG will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

PFG's advice to certain clients and entities and the action of PFG for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of PFG with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of PFG to or on behalf of other clients.

Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if PFG believes that a larger size block trade would lead to best overall price for the security being transacted.

Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

PFG acts in accordance with its duty to seek best price and execution and will not continue any arrangements if PFG determines that such arrangements are no longer in the best interest of its clients.

Review of Accounts

Reviews are conducted on an ongoing basis by Don Clark, the Managing Principal, and Linda Migliazzo, the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise Personal Financial Group of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis.

Client review periods vary between 3 months to 1 year depending on market conditions, the client's funding needs and changes in investment objectives. Occasionally a review may result in a "no change" recommendation. If a client has a change in their financial situation Personal Financial Group will perform a review to make sure that the portfolio is appropriate for the client and meets the cash needs of the time. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

PFG does not receive economic benefits for referring clients to third-party service providers.

Advisory Firm Payments for Client Referrals

PFG does not pay for client referrals.

Custody

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. Clients are urged to compare billing statements provided by PFG to the custodian statement for accuracy. Any discrepancies should be brought to the firm's attention. The custodian's statement is the official record of the account.

Investment Discretion

Clients may grant a limited power of attorney to PFG with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, PFG will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the amount of commissions to be paid, and the executing broker to be used.

Investment limitations may be designated by the client as outlined in the investment advisory agreement. In addition, subject to the terms of its investment advisory agreement, PFG may be granted discretionary authority for the retention of independent third-party investment management firms. Investment limitations may be designated by the client as outlined in the investment advisory agreement. Please see the applicable third-party manager's disclosure brochure for detailed information relating to discretionary authority.

Clients may also elect to have a non-discretionary account where, if accepted, Personal Financial Group will secure the client's permission prior to effecting any securities transactions in the client's account.

Voting Client Securities

PFG does not take discretion with respect to voting proxies on behalf of its clients. PFG will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of PFG supervised and/or managed assets. In no event will PFG take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, PFG will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. PFG has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. PFG also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, PFG has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where PFG receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Financial Information

A. Balance Sheet

PFG does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

PFG does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.



Appendix I

Fee-Based Advisory Services

7007 College BLVD STE 270

Overland Park, KS 66211

(913) 451-PLAN (7526)

www.personalfinancialgroup.com

March 29, 2017

This wrap fee program brochure provides information about the qualifications and business practices of Personal Financial Group. If you have any questions about the contents of this brochure, please contact us at 913-451-7526. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Being a "Registered Investment Advisor" should not imply a certain level of skill or training.

Additional information about Personal Financial Group is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary. At this time there are no material changes.

Services, Fees and Compensation

Introduction

Personal Financial Group (PFG) is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and is a corporation organized under the laws of the State of Kansas. PFG was established in March 1998 with Don Clark as the sole shareholder.

PFG, through its investment advisor representatives, provides financial planning services to individuals and businesses which may include advice on taxes, investments, insurance, estate planning, college planning, retirement and general financial matters. The services provided by Personal Financial Group are tailored to each individual or entity depending on their needs, individual circumstances, objective, and tolerance for risk.

This disclosure brochure is limited to describing the Program and other information that client should consider prior to establishing an account in the Program. For a complete description of other programs and services offered by Advisor, clients should refer to Advisor's Form ADV Part II and Schedule F, a copy of which will be provided by Advisor to client upon request.

Services

The Program offers clients an asset management account in which PFG directs and manages Program assets for client. The Program permits a client to authorize PFG to purchase and sell on a discretionary and non-discretionary basis, mutual funds, ETFs, equities, fixed income securities.

In cases where the client's account is managed on a non-discretionary basis, PFG will not implement any recommendation without the client's prior approval. PFG will act as the client's agent to implement such recommendations in accordance with client's instructions. The client agrees to review trade confirmations received from the custodian and notify PFG immediately of any errors.

PFG obtains the necessary financial data from the client and assists the client in setting appropriate investment objectives for the Program account. PFG obtains updated information from the client as necessary in order to provide personalized investment advice to the client.

Client will be required to enter into a written agreement PFG in order to establish a Program account. Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

Program Fees and Compensation

The annual investment advisory fee ("Annual Fee") schedule for the Program is described below. Management fees are paid quarterly in advance and are negotiable. Each IAR may determine an applicable fee schedule, not to exceed the following maximum fee limits.

Account Size	Max. Client Fee
\$50,000 to \$99,999	2.25%
\$100,000 to \$249,999	2.25%
\$250,000 to \$499,999	2.25%

\$500,000 to \$749,999	2.25%
\$750,000 to \$1,249,999	2.25%
\$1,250,000 to \$4,999,999	2.25%
Over \$5,000,000	2.25%

The Annual Fee is negotiable, is based on the value of the assets in the account, including cash holdings, and is payable quarterly in advance. For purposes of calculating Annual Fees, the account quarter begins on the first day of the month in which the account is opened. The initial Annual Fee is due at the beginning of the quarter following account opening and includes a prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Annual Fee payments are due and assessed at the beginning of each quarter based on the value of the assets under management as of the close of business on the last business day of the preceding quarter as valued by the custodian. Additional deposits and withdrawals will be added or subtracted from account assets, as the case may be, which may lead to an adjustment of the Annual Fee. All Annual Fees are deducted from the account by the custodian unless other arrangements have been made in writing. The Annual Fee is paid to and retained by the Advisor and the advisory representatives.

These fees include charges for all transaction costs such as commissions on purchase and sales of stocks, bonds, exchange-traded funds and options, trade-away fees on bonds and mutual fund transactions fees. Except as otherwise provided below, client will incur no charges other than the adviser's fee pursuant to the above fee schedule in connection with the maintenance of and activity in client's account. The wrap fee does not include mutual fund administrative and marketing fees and expenses. The trading cost component of the above-mentioned advisory fees are estimated to range from \$100 to \$400 per account per year.

The Program may cost the client more or less than purchasing Program services separately. Factors that bear upon the cost of the Program account in relation to the cost of the same services purchased separately include: the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

Important Disclosure – Custodian Investment Programs

Please be advised that the firm utilizes LPL Financial as its primary custodian, which is described in detail under Brokerage Practices section of this Part 2A disclosure brochure. Under this arrangement we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

Limitation on Mutual Fund Universe for Custodian Investment Programs: Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. Nonetheless, if the firm decides to take these 12b-1 fees in the future, please note the following: There are certain programs offered by our custodian in which the firm participates that limit the types of mutual funds and mutual fund share classes to those in which our custodian has negotiated the receipt of 12b-1 and/or other revenue sharing fee payments from the mutual fund issuer or sponsor. As such, a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client. Such fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under

no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the broker-dealer receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

Additional Disclosure Concerning Wrap Programs: In addition, our custodian offers certain wrap fee programs that (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Our wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described elsewhere in this Brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees borne by the client. Should a client prefer an A-Share class or mutual fund share class that has embedded 12b-1 and/or revenue sharing fees, then the utilization of such funds within the wrap fee program requires specific written client consent acknowledging the conflict. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

Disclosure of Cost Difference if Services Purchased Separately

Depending on a number of factors, such as the number, size and nature of the securities transactions in an advisory account, the overall fees and charges borne by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis. Bundled fees generally provide an economic incentive for the advisory firm to select investments and strategies that minimize trading costs. Frequent trading in an account where transaction fees are included as part of the overall advisory fee to the client drive trading costs higher and reduce the overall fee revenue to the advisor. As a result, higher trading costs in a bundled fee account have a negative impact on the advisory firm's profitability.

Additional Client Fees and Terms of Payment

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement,

pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using PFG may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Compensation for Recommending the Wrap Fee Program

The Advisor receives compensation as a result of the client's participation in the Program. The amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs or paid separately for investment advice, brokerage and other client services. Therefore, the Advisor may have a financial incentive to recommend the Program account over other programs and services.

External Compensation for the Sale of Securities to Clients

The IAR provides financial planning advice and asset management advice on a fee-paid basis. Certain financial products, however, can be purchased from PFG's IARs who are dually licensed as registered representatives of a FINRA registered broker-dealer. If these products are purchased by the client, such IARs will receive a commission. As such the IAR may have an economic incentive to recommend commission-based products versus products that do not involve the receipt of commissions.

Client Assets Under Management

As of December 31, 2016, our total Assets managed is \$338,529,722.86. Of these assets, \$3,078,549.72 are managed on a Non-Discretionary base and \$335,451,173.14 are managed on a Discretionary basis.

Account Requirements and Types of Clients

A minimum household value of \$50,000 is generally required for Program. In certain instances, the minimum account size may be lower.

PFG offers investment advice to individuals, pension and profit sharing plans, trusts, estates, state and municipal government entities, charitable organizations, corporations, and other business entities.

Program Manager Selection and Evaluation

Portfolio Manager Selection and Review

Clients enter into a Fee-Based Advisory Program through the IAR of their choice. These IAR's may act as portfolio managers for the Fee-Based Advisory Program.

In establishing a Program account, client elects to appoint LPL Financial as the sole and exclusive broker/dealer and custodian with respect to processing securities transactions for the Program account. The Advisor does not maintain custody of client assets.

Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives, and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

Performance-Based Fees and Side-by-Side Management

The firm does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in the clients' best interests.

Methods of Analysis, Investment Strategies and Risk of Loss

IAR's of PFG perform reviews of all investment advisory accounts no less than annually. Accounts are reviewed for consistency with the investment strategy and performance. Reviews may be triggered by changes in an account holder's personal, tax, or financial status. Macroeconomic and company specific events may also trigger reviews.

Advisory account statements are generated no less than quarterly. These statements are sent directly to the account owner. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are sent confirmations following each brokerage account transaction. Quarterly Portfolio Summaries are also provided.

We do not use technical analysis or charting. We do use a fundamental approach, such as economic conditions, earnings, industry outlook, politics (as it relates to the investment), historical data, price-earnings ratios, dividends, general level of interest rates, company management and tax benefits. We attempt to select clients' investments to harmonize with their financial objectives.

PFG utilizes the general media of domestic, international and governmental newspapers, bulletins, magazines, books, and other publications. Materials prepared by the investment companies and research releases prepared by others, and timing services may also be utilized.

We generally make long-term recommendations with occasional short-term strategies as the circumstances may indicate. Our investment philosophy focuses on proper diversification and asset allocation over the long haul. Short-term strategies employed may include dollar cost averaging programs, temporary/interim repositioning of assets, and tax-advantaged strategies (e.g. selling short against the box, and security sales to realized losses with subsequent repurchases in 31 days).

Clients should keep in mind that investing in investments products may involve a risk of loss that they should be prepared to bear.

Security Specific Information

Exchange Traded Notes (ETNs) also may be purchased in the Program. An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and

equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. The risks associated with a particular ETN are set forth in the prospectus for the ETN. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.

Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and are generally not appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

Structured products are available for purchase in the Program. Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The credit worthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Investing in structured products involves risks. Some structured products offer full protection of the principal invested, others offer only partial or no protection. A client in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. Any principal protection that is offered is subject to the credit worthiness of the issuer. Clients may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC will be subject to applicable FDIC limits.

Hedge funds are available for purchase in the Program by clients meeting certain qualification standards. Investing in hedge funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity. In addition, hedge funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Clients should be aware that hedge funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the hedge fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the hedge fund during the repurchase offer.

Managed futures are available for purchase in the Program by clients meeting certain qualification standards. Investing in managed futures involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices, the lack of liquidity and performance volatility. Clients should be aware that managed futures are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the managed futures fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the managed futures during the repurchase offer.

Proxy Voting

PFG does not take discretion with respect to voting proxies on behalf of its clients. PFG will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of PFG supervised and/or managed assets. In no event will PFG take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, PFG will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. PFG has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. PFG also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, PFG has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where PFG receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Client Information Provided to Portfolio Managers

Commitment to Your Private Information: Personal Financial Group has a long standing policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

Why We Collect and How We Use Information. We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

How We Gather Information. We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

How We Protect Information. Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

Sharing Information with Other Companies Permitted Under Law. We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist use with the providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

Former Customers. Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.

Client Contact with Portfolio Managers

Client can contact their IARs at any time to discuss their portfolio. In the wrap program, the Advisor is responsible for account management; there is no separate portfolio manager involved. The Advisor obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. The Advisor obtains this information by having the client complete an advisory agreement and other documentation. Clients are encouraged to contact the Advisor if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program is an overall objective for the Client Portfolio as determined by the PFG Service Agreement and may be inconsistent with a particular holding and the and portfolio/account's performance at any time.

Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

Additional Information

Disciplinary

Criminal or Civil Actions

There is nothing to report on this item.

Administrative Enforcement Proceedings

There is nothing to report on this item.

Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Members and registered advisory personnel of PFG are registered representatives of LPL Financial LLC, a FINRA-registered broker-dealer and member of SIPC. LPL Financial is a financial services company engaged in the sale of investment products. As a result of PFG members and registered professionals' affiliation with LPL, such professionals, in their capacity as registered representatives of LPL, are subject to the general oversight of LPL and the Financial Industry Regulatory Authority Inc. ("FINRA"). As such, clients of PFG should understand that their personal and account information is available to FINRA and LPL for the fulfillment of their regulatory oversight obligations and duties.

Futures or Commodity Registration

Neither PFG nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

PFG professionals who effect transactions for advisory clients may receive transaction or commission compensation from LPL. The recommendation of securities transactions for commission creates a conflict of interest in that PFG is economically incented to effect securities transactions for clients. Although PFG strives to put its clients' interests first, such recommendations may be viewed as being in the best interests of PFG rather than in the client's best interest. PFG advisory clients are not compelled to effect securities transactions through LPL.

Certain managers, members, and registered employees of PFG are licensed insurance agents. With respect to the provision of financial planning services, PFG professionals may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Please also be advised that PFG strives to put its clients' interests first and foremost, and clients may utilize any insurance carrier or insurance agency they desire]. [If registered reps of broker dealer, include the following: Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and

insurance license, clients may be limited to those insurance carriers that have a selling agreement with PFG's employing broker-dealer.

Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

Although PFG does not receive any remuneration from advisers, investment managers, or other service providers that it recommends to clients, the firm engages sub-advisers to manage PFG client accounts and receives a portion of the advisory fees charged by PFG for its investment management services.

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

Code of Ethics Description

In accordance with the Advisers Act, PFG has adopted policies and procedures designed to detect and prevent insider trading. In addition, PFG has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of PFG's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of PFG. PFG will send clients a copy of its Code of Ethics upon written request.

PFG has policies and procedures in place to ensure that the interests of its clients are given preference over those of PFG, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

PFG does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, PFG does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

PFG, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which PFG specifically prohibits. PFG has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner

- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow PFG's procedures when purchasing or selling the same securities purchased or sold for the client.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

PFG, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other PFG clients. PFG will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of PFG to place the clients' interests above those of PFG and its employees.

Factors Used to Select Broker-Dealers for Client Transactions

Custodian Recommendations

PFG may recommend that clients establish brokerage accounts with LPL Financial ("custodian"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although PFG may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. PFG is independently owned and operated and not affiliated with custodian. For PFG client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

PFG considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by PFG, PFG will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by PFG will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

How We Select Brokers/Custodians to Recommend

PFG seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)

- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

Soft Dollar Arrangements

PFG does not utilize soft dollar arrangements. PFG does not direct brokerage transactions to executing brokers for research and brokerage services.

Institutional Trading and Custody Services

The custodian provides PFG with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. These services are not contingent upon PFG committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Other Products and Services

Custodian also makes available to PFG other products and services that benefit PFG but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of PFG's accounts, including accounts not maintained at custodian. The custodian may also make available to PFG software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of PFG's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help PFG manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of PFG personnel. In evaluating whether to recommend that clients custody their assets at the custodian, PFG may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to PFG. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to PFG.

Additional Compensation Received from Custodians

PFG may participate in institutional customer programs sponsored by broker-dealers or custodians. PFG may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between PFG's participation in such programs and the investment advice it gives to its clients, although PFG receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving PFG 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 with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to PFG by third-party vendors

The custodian may also pay for business consulting and professional services received by PFG's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for PFG's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit PFG but may not benefit its client accounts. These products or services may assist PFG in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help PFG manage and further develop its business enterprise. The benefits received by PFG or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

PFG also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require PFG to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, PFG will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by PFG's related persons, and reimbursement of expenses

(including travel, lodging, meals and entertainment expenses for PFG's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, PFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by PFG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence PFG's recommendation of broker-dealers for custody and brokerage services.

Brokerage for Client Referrals

PFG does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients. PFG typically recommends LPL as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf. Occasionally, clients may direct PFG to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage PFG derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. PFG loses the ability to aggregate trades with other PFG advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

Best Execution

PFG, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. PFG recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. PFG will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, PFG seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of PFG's knowledge, these custodians provide high-quality execution, and PFG's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, PFG believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

Security Allocation

Since PFG may be managing accounts with similar investment objectives, PFG may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by PFG in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

PFG's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. PFG will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

PFG's advice to certain clients and entities and the action of PFG for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of PFG with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of PFG to or on behalf of other clients.

Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if PFG believes that a larger size block trade would lead to best overall price for the security being transacted.

Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

PFG acts in accordance with its duty to seek best price and execution and will not continue any arrangements if PFG determines that such arrangements are no longer in the best interest of its clients.

Review of Accounts

Reviews are conducted on an ongoing basis by Don Clark, the Managing Principal, and Linda Migliazzo, the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise Personal Financial Group of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning

issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis.

Client review periods vary between 3 months to 1 year depending on market conditions, the client's funding needs and changes in investment objectives. Occasionally a review may result in a "no change" recommendation. If a client has a change in their financial situation Personal Financial Group will perform a review to make sure that the portfolio is appropriate for the client and meets the cash needs of the time. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

PFG does not receive economic benefits for referring clients to third-party service providers.

Advisory Firm Payments for Client Referrals

PFG does not pay for client referrals.

Financial Information

PFG does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

PFG does not have any financial issues that would impair its ability to provide services to clients.