

Form ADV Part 2A: Appendix 1 – Wrap Fee Program Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Brokers International Financial Services, LLC ("Brokers Financial"). If you have any questions about the contents of this brochure, please contact us at (877)-886-1939 or at compliance@brokersifs.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Brokers Financial is a registered investment adviser. While registration is required under law, registration of an investment adviser or broker-dealer does not imply any specific level of skill or training.

Additional information about Brokers Financial is available on the SEC's website at www.adviserinfo.sec.gov and on FINRA's website at www.finra.org/brokercheck.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that Brokers Financial provides to clients as required by applicable rules and regulations. This Disclosure Brochure dated March 20, 2017 is a new document prepared according to the new requirements and rules. This item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

In the past our Firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

The following summarizes the material changes made to the Brokers Financial brochure since January 11, 2016:

1. Item 1 – Cover Page

The cover page was updated to reflect the Firm's new location.

2. Item 4 – Services, Fees and Compensation

Item 4 was updated to clarify the responsibilities of Brokers Financial as it relates to the Retirement Ally Program.

Item 4 was updated to reflect lower Total Program Fees. It was updated to reflect additional breakpoints for certain models.

3. Item 5 – Account Requirements and Types of Clients

Item 5 was updated to clarify that models have different minimum investments.

4. Item 6 – Portfolio Manager Selection and Evaluation

Item 6 was updated to remove language that models will consist of mutual funds and ETFs.

Item 6 was updated to remove Market Timing Services and add Adaptive Asset Allocation.

5. Item 9 – Additional Information

Item 9 was updated to include that on July 27, 2016 Brokers Financial submitted an AWC to FINRA for the purpose of settling alleged rule violations. Brokers Financial entered into the AWC without admitting or denying the findings and was censured and fined \$45,000 for utilizing a form for variable annuity purchases that failed to confirm that customers had been fully informed of the material features and fees of variable annuities prior to recommending that they invest in those products and therefore approved solicited variable annuity purchases without adequate information to make reasonable suitability determinations.

6. Item 9 – Client Referrals and Other Compensation

Item 9 was updated to remove certain additional services that are no longer received from TD Ameritrade.

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Item 4 – Services, Fees and Compensation

Introduction

Brokers Financial is a SEC registered investment adviser and broker-dealer with its main operations located in Urbandale, Iowa. Brokers Financial started operations in 2006. Brokers Financial is wholly owned by Brokers International, Ltd.

Brokers Financial has developed and sponsors the following separate wrap fee programs (collectively referred to as the “Programs”): Brokers Financial Aspire Program (“Aspire Program”) and Retirement Ally Program (“Retirement Ally Program”).

Services

Prior to providing any of the following investment advisory services, the client, the Investment Advisor Representative (IAR) and Brokers Financial are required to enter into one or more written agreements setting forth the terms and conditions under which Brokers Financial renders its services (collectively the “Agreement”).

As part of the account opening process for the Programs, clients complete a Risk Profile which provides a client’s investment objectives, financial situation, time horizon, risk tolerance, investment restrictions, and any additional investment-related instructions. Brokers Financial and IARs rely on this information to make strategy or portfolio model recommendations. As part of the Agreement, clients agree to inform Brokers Financial and/or the IAR of any material change to the information provided in the Risk Profile or in their financial circumstances which might affect the manner in which their assets are invested.

Brokers Financial Aspire Program

Through the Aspire Program, clients receive continuous investment advice from the IAR. The IAR is responsible for selecting the securities within an investment strategy. IARs may develop models or strategies that are generally applied to their clients while other IARs will develop truly individualized portfolios for each client to meet a client’s specific goal and objective. Investment strategies, models, and philosophies used within the Aspire Program will generally vary based on the IAR providing advice. Models and strategies used by one IAR may be different than strategies used by other IARs. Some IARs limit their advice to mutual funds and exchange traded funds (ETFs) and others will provide advice on a full range of securities including but not limited to: exchange-listed securities, securities traded over the counter, foreign issues, ETFs, warrants, corporate debt securities, commercial paper, certificates of deposit, mutual fund shares, municipal securities, United States government securities, third party money managers and options contracts on securities.

The Aspire Program allows for both discretionary and non-discretionary trading. With discretionary trading, the IAR has the authority to buy or sell securities without obtaining a client’s approval prior to each transaction. With non-discretionary trading, the IAR must obtain a client’s approval before each transaction. Clients grant the IAR discretion when signing the client agreement for the Aspire Program. Separate from the agreement the IAR must meet certain qualifications as set by Brokers Financial to exercise discretion over client accounts.

Clients have the ability to place reasonable restrictions on the types of investments that may be purchased in the Aspire Program. Clients may also place reasonable limitations on the discretionary power granted to IARs, so long as the restrictions and limitations are specifically set forth in writing or included as an attachment to the appropriate client agreement.

Retirement Ally Wrap Program

Through the Retirement Ally Program, clients hire Brokers Financial as a Portfolio Strategist to manage their designated accounts on a discretionary basis. The Portfolio Strategist is responsible for selecting the securities within a portfolio model. The IAR has no trading authorization over an account in the Retirement Ally Program. Portfolio models are designed on an asset allocation model. These models, are not a guarantee from loss and at times can limit a model's upside market participation relative to broad market benchmarks to manage risk.

Brokers Financial is responsible for trading accounts in the Retirement Ally Program to ensure the account portfolio is in accordance with the portfolio model. Brokers Financial reviews accounts in the Retirement Ally Program, as necessary, to determine whether rebalancing is appropriate or necessary to be in-line with portfolio models.

Based on information provided by the Client, IARs will recommend one of the Retirement Ally Program portfolio models. As a general practice, the Retirement Ally Program does not allow for individually designed portfolios.

Fees and Compensation

Generally, a wrap program provides a client with investment advisory, brokerage execution services, and overlay fees, when applicable, for a single fee based on account asset value; however, additional fees may apply. The client's written agreement with Brokers Financial provides the specific manner in which fees are charged by Brokers Financial. Generally fees are billed in advance of the quarter or month; however some programs may bill after the quarter or month end.

Clients may negotiate the advisor fee rate portion for both Programs with their IAR. Clients may not negotiate any other fee within the Programs. The client understands that unless a lower rate has been negotiated, they should expect that Brokers Financial will charge fees based upon the applicable standard fee schedule detailed below for each account platform. Brokers Financial reserves the right to discount the service fee and/or the Retirement Ally Program management fee. All other overlay fees and Financial Institution fees are fixed and not able to be negotiated by IAR nor Brokers Financial.

The Programs may cost the client more or less than purchasing such advisory and execution services separately. As disclosed in this section, Brokers Financial receives compensation as a result of a client's participation in Program. Brokers Financial therefore has a financial incentive to recommend the Program over other programs or services. The amount of Brokers Financial's compensation may be more than what a client would receive if the client participated in programs sponsored by other financial firms or paid separately for investment advice, brokerage, and other services.

We do not receive client referrals from TD Ameritrade; however, we do receive certain benefits from them. Costs associated with TD Ameritrade may be higher than other broker-dealers in return for those products and services. Commission and fee structures of various broker-dealers are periodically reviewed to analyze quality of overall execution services. Accordingly, while Brokers Financial will consider competitive rates, it may not necessarily obtain the lowest possible commission rates or most favorably execution services for client account transactions. Therefore, the overall services provided by broker-dealers are evaluated to determine best execution.

While there is not a direct linkage between the investment advice provided to clients and Brokers Financial recommendation to use TD Ameritrade, economic benefits are received by Brokers Financial which would not be received if the Firm did not give investment advice to clients and are not typically available to TD Ameritrade retail clients. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor 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; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade may also pay for business consulting and professional services received by our related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for our personnel to attend conferences or meetings relating to the program or to their advisory custody and brokerage services generally. Some of the products and services made available by TD Ameritrade benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at the broker-dealer offering the service. Other services are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

Brokers Financial is a participant in Pershing's FUNDVEST® ticket charge program. This program offers clients no-load mutual funds with no transaction fees. Through formal agreements Brokers Financial is eligible to receive revenue sharing participation for assets that are held within these programs. Restrictions may apply in certain situations. Pershing's FUNDVEST® can be used in the Aspire Program.

In addition for Aspire Program accounts held at Pershing, Brokers Financial may receive trail commissions also known as 12b-1 fees from the mutual fund companies based on assets under management. These 12b-1 fees vary, but usually range from .25-1.0%. The receipt of such fees could represent a conflict of interest for IARs to solicit, offer and recommend funds with 12b-1 fees over funds that have no 12b-1 fees or lower 12b-1 fees.

	Aspire Program	Retirement Ally Program
Maximum annual total program fee:	2.20%	2.50%
Maximum annual advisor fee:	2.00%	1.50%
Maximum annual service fee:	.20%	N/A
Maximum annual management fee:	N/A	See schedule below
Administrative fee:	\$30/quarter or \$10/month ¹	\$30/quarter or \$10/month ^{2, 3}

¹ An administrative fee may be charged when the service fee for the billing period is less than the administrative fee.

² An administrative fee may be charged when the management fee for the billing period is less than the administrative fee.

³ The administrative fee does not apply to accounts held in the Blackrock Lite Allocation strategies.

Retirement Ally Strategic Plus Strategies	
Account Value	Management Fee
> \$25,000 - \$250,000	0.60%
> \$250,000 - \$500,000	0.55%
> \$500,000 - \$1 Million	0.50%
> \$1 Million - \$2 Million	0.40%
> \$2 Million	0.30%

Retirement Ally Tactical Strategy	
Account Value	Management Fee
> \$25,000 - \$250,000	1.00%
> \$250,000 - \$500,000	0.80%
> \$500,000 - \$1 Million	0.60%
> \$1 Million - \$2 Million	0.50%
> \$2 Million	0.40%

Retirement Ally Blackrock Lite (LT) Allocation Strategies	
Account Value	Management Fee
> \$5,000 or more	0.40%

Retirement Ally Blackrock Core Allocation Strategies	
Account Value	Management Fee
> \$25,000 - \$250,000	0.40%
> \$250,000 - \$500,000	0.35%
> \$500,000 - \$1 Million	0.30%
> \$1 Million	0.25%

Retirement Ally W.E. Donoghue Strategies	
Account Value	Management Fee
> \$50,000 - \$500,000	1.00%
> \$500,000 - \$1 Million	0.95%
> \$1 Million - \$2 Million	0.90%
> \$2 Million	0.85%

Retirement Ally Flexible Income I and Flexible Growth I Strategies	
Account Value	Management Fee
> \$100,000 - \$500,000	0.80%
> \$500,000 - \$1 Million	0.75%
> \$1 Million - \$2 Million	0.70%
> \$2 Million	0.65%

Retirement Ally Flexible Income II and Flexible Growth II Strategies	
Account Value	Management Fee
> \$80,000 - \$500,000	0.90%
> \$500,000 - \$1 Million	0.85%
> \$1 Million - \$2 Million	0.80%
> \$2 Million	0.75%

The management fee covers Brokers Financial advisory services and all trade execution fees charged by TD Ameritrade except for 1) short-term trading fees that are debited directly against the client's account by TD Ameritrade for sells executed within a 30-day period. Retirement Ally Strategies by design holds investments for greater than 30 days. If a short-term trading fee does occur it is normally the result of an unscheduled client request to withdraw assets after a recently placed trade in the client's account. 2) Securities that are transferred in-kind to a Retirement Ally account which require liquidating to implement the selected Retirement Ally strategy may be charged a trading fee by TD Ameritrade, which will be passed through to the client's account. This type of trading fee is a one-time initial allocation cost, when applicable.

Jefferson National

As part of the Programs, IARs may recommend no load variable annuities from Jefferson National. Clients who purchase a no load variable annuity from Jefferson National may either have the IAR manage the investment sub accounts through the Aspire Program or engage Brokers Financial as a Third Party Investment Adviser (TPIA) through the Retirement Ally Program to manage the investment sub accounts.

When a Jefferson National variable annuity is utilized in the Aspire Program, the maximum annual IAR fee and the maximum annual service fee mirrors the fees listed above for the Aspire Program. When a Jefferson National variable annuity is utilized in the Retirement Ally Program, the maximum annual IAR

fee mirrors the fee listed above for the Retirement Ally Program and the annual management fee for the Retirement Ally Program, in addition to the annual IAR fee, is illustrated below. Jefferson National applies additional fees for their services.

Account Value	Management Fee
\$0- \$3,500,000	0.60%

Jefferson National completes the performance reporting, billing and collection of fees and remits the fees attributed to the investment management to Brokers Financial. Brokers Financial does not take custody of client assets for this platform, the assets are held directly at Jefferson National Securities Corporation.

TD Unified Managed Account (UMAX)

As part of the Programs, approved IARs may recommend Unified Managed Accounts (UMA) through the UMAX trading platform to clients. The UMAX trading platform is able to combine mutual funds, exchange traded funds and third party money managers in a single client account. Clients who elect to use the UMAX trading platform may either have an approved IAR manage the UMA account through the Aspire Program or engage Brokers Financial through the Retirement Ally Program to manage the UMA account.

When a UMAX account is utilized in the Aspire Program, the maximum annual IAR fee and the maximum annual service fee mirrors the fees listed above for the Aspire Program. When a UMAX account is utilized in the Retirement Ally Program, the maximum annual IAR fee mirrors the fee listed above for the Retirement Ally Program and the annual management fee for the Retirement Ally Program, in addition to the annual IAR fee, is illustrated below.

Account Value	Management Fee
\$0- \$3,500,000	0.40%

UMAX applies additional fees for their services including, but not limited to, custodial fee, overlay fee and strategy fee. Adhesion or Envestnet I Placemark completes the performance reporting, trading and rebalancing of client accounts, billing and collection of overlay and strategy fees. TD collects custodial fee. Brokers Financial collects IAR and RA management fee, when applicable. Clients who open an account through UMAX trading platform will also receive a copy of Adhesion or Envestnet I Placemark ADV Part II and Schedule F.

TD Separate Account Exchange

As part of the Aspire Program Brokers Financial allows its IARs to refer clients to unaffiliated third party investment advisory (TPIA) or a Sub-Advisor. These TPIA/Sub-Advisor firms offer asset management and other investment advisory services. IARs may recommend TPIA/Sub-Advisor offerings through the TD Ameritrade Separate Account Exchange platform. This platform provides IARs with access to separate account management (SMA). The TPIA/Sub-Advisor provides full-time professional investment management by investment managers. The IAR will assist the Client in selecting the manager(s) most aligned with the Client's investment style based on the Client's individual personal, and financial goals, investment objectives, and risk tolerance. A SMA account portfolio is a customized portfolio that may consist of stocks and/or bonds and cash that is guided by a professional investment manager. The manager buys and sells stock and/or bonds on Client's behalf. Because Client directly owns the securities, the Client has the option to specify investment restrictions (e.g. no alcohol or tobacco stocks), and may request tax-loss selling. In addition to Brokers Financial's agreement, Clients will enter into an agreement directly with the unaffiliated TPIA/Sub-Advisor who shall provide asset management services.

IARs are available to answer questions the Client may have regarding their account and act as the relationship manager between you and the TPIA/Sub-Advisor. TPIA/Sub-Advisor may take discretionary authority to determine the securities to be purchased and sold for the Client's Account.

TPIA/Sub-Advisor programs generally have account minimum requirements that will vary from Investment Adviser to Investment Adviser. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the third party Investment Adviser's services, fee schedules and account minimums will be disclosed in the TPIA/Sub-Advisors Form ADV, Wrap Brochure, or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and the account is established. Client reports will depend upon the TPIA/Sub-Advisor.

When a TD Separate Account Exchange account is utilized in the Aspire Program, the maximum annual IAR fee and the maximum annual service fee mirrors the fees listed above for the Aspire Program. Actual fee charged to Client will vary depending on the TPIA/Sub-Advisor fee, custodial fee and IAR fee. TD collects the custodial fee and Brokers Financial collects the IAR and collection of the TPIA/Sub-Advisor management fee will vary based on the agreement between Brokers Financial and the TPIA/Sub-Advisor.

While Brokers Financial consistently reviews the performance of numerous TPIAs/Sub-Advisors, Brokers Financial enters into relationships with only a select number of third party Investment Advisers that pass Brokers Financial's due diligence process.

TPIAs/Sub-Advisors approved by Brokers Financial must be registered or exempt from registration in the state where the client resides. Third Party Investment Advisers recommended by IARs must be approved by Brokers Financial.

Clients are advised that there may be other TPIA/Sub-Advisor programs that may be suitable to the client that may be more or less costly. No guarantees can be made that client's financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

Other Financial Institution Fees

Clients may also incur certain charges imposed by third parties other than Brokers Financial in connection with investments made through the Programs, including but not limited to, mutual fund short-term redemption fees, surrender charges, custodial ticket charges, trading away transactions fee and IRA and qualified retirement plan fees charged by the clearing firm, a product sponsor or other third party. Program fees charged by Brokers Financial are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

The fee you pay for the Programs does not cover odd-lot differentials, American Depositary Receipt fees, exchange fees, transfer fees and other fees imposed by law, where applicable. In addition, it does not cover certain services available on request from Brokers Financial, including periodic distribution fees, electronic funds and wire transfer fees, certificate delivery fees, and reorganization fees; and any check reordering cost and fees, where applicable.

Termination of Services

Program services may be canceled at any time, by any of the parties, for any reason upon receipt of written notice to the other party. Clients will receive a pro-rated refund of any fees paid in advance but not fully earned by Brokers Financial and the IAR. The refund is based on the number of days remaining in the quarter or month after notice of termination is received and must be at least \$75. For accounts not billed in advanced, clients will be billed a final fee that is pro-rated based on the amount of time remaining in the quarter or month.

Item 5 – Account Requirements and Types of Clients

Account Minimums

There is no minimum to participate in the Aspire Program; however, the Aspire Program is subject to an administrative fee as described in the Fees and Compensation section. To participate in the Retirement Ally Program, the minimum initial investment varies by program. Brokers Financial reserves the right to close a Retirement Ally Program account if its balance falls below a certain level. Brokers Financial also reserves the right to terminate its services if it believes the rendering of its investment advisory services is no longer appropriate for a client.

Opening an Account

To participate in the Aspire Program, clients are required to custody their assets with and place trades through either TD Ameritrade, LLC (“TDA”), Pershing, LLC (“Pershing”), or Jefferson National (“JN”). To participate in the Retirement Ally Program, clients are required to custody their assets with and place trades through either TD Ameritrade, LLC (“TDA”) or Jefferson National (“JN”).

Brokerage transactions may be implemented through the Programs at TD Ameritrade (TD Ameritrade, Inc.) through the TD Ameritrade Institutional platform. In these situations, TD Ameritrade serves as the broker-dealer and qualified custodian and Brokers Financial will serve in an advisor-only capacity. TD Ameritrade Institutional is a division of TD Ameritrade member FINRA. TD Ameritrade is an independent SEC-registered broker-dealer and is separate from and unaffiliated with Brokers Financial. TD Ameritrade offers services to independently registered investment advisers which include custody of securities, trade execution, and clearance and settlement of transactions.

Brokerage transactions may also be implemented through the Aspire Program at Pershing. In these situations, Brokers Financial acts in its capacity as a full service introducing broker-dealer and trades are cleared through Pershing, LLC, a registered broker-dealer member FINRA/SIPC. In addition to being the clearing and trade execution broker-dealer, Pershing maintains custody of Aspire Program accounts cleared through them. Brokers Financial is not affiliated with either TD Ameritrade or Pershing.

Types of Clients

We offer advisory services to Individuals; High-Net worth Individuals; Trusts, estates, or charitable organizations; Corporations or business entities.

Item 6 – Portfolio Manager Selection and Evaluation

In the Aspire Program, the IAR is responsible for the overall investment advice and management services offered to clients. In the Retirement Ally Program, Brokers Financial acts as the portfolio manager and the Portfolio Strategist is responsible for selecting the securities within a portfolio model.

In the Retirement Ally Program, the Portfolio Strategist reviews historical risk, return, price measures, volatility and correlation factors for different asset classes (domestic and international equities, fixed income, real estate, commodities and other alternative investments) and investment styles (growth, value, market capitalization). Asset allocations are developed across a broad array of risk and return combinations. Allocations are optimized (or adjusted) to maximize the expected returns at each pre-established risk level. Once the asset allocation has been established, multiple investments are selected to invest that portion of the allocation. Once the allocations have been optimized and populated with select portfolio manager and/or fund disciplines, the investment strategies offered are continuously monitored and modified as determined by both review of historical factors and current market risk.

Upon the client's selection of a RA strategy, Brokers Financial will invest and reinvest the assets of each account, based upon the strategy selected by the client, as it deems in the client's best interest in order to achieve the investment objective(s) identified by the client, without regard to holding period, portfolio

turnover or resulting gain or loss. The client should understand that Brokers Financial may decide to reallocate a certain portion of the account to maintain trading flexibility and/or market exposure, or to enhance diversification.

In conducting SMA Manager and security analysis, Brokers Financial Investment Committee (BFIC) utilizes a broad spectrum of information, including financial publications, third-party research materials, subscriptions to market data, analytic services, investment manager databases, and contact with affiliated and outside analysts and consultants.

Potential SMA Managers are considered by Manager Research for participation in the RA strategy if they meet the following criteria:

- A well-defined investment discipline
- Consistent absolute and relative risk adjusted performance results within respective peer group
- Acceptable risks taken within bounds of stated investment objectives

Other factors considered in the screening process include: management team tenure; personnel, turnover of personnel; phone interviews with top personnel; review of the firm's current ADV; no naked options, short sales or futures; performance; and forthcoming with requested information. Performance information provided to Brokers Financial by SMA Managers is reviewed by BFIC and compared to publicly available sources for reasonableness. However, SMA Manager-provided performance has not been independently verified by Brokers Financial and therefore its accuracy cannot be guaranteed.

After an SMA Manager has been selected to participate in the RA Strategy, Brokers Financial enters into a Sub-Advisory agreement with the SMA Manager to provide investment advisory services upon their selection by a Client.

BFIC conducts an analysis of the SMA Manager's portfolio(s). This analysis includes performance calculations, peer comparisons, and examination of portfolio characteristics and holdings. BFIC's goal is to ensure the SMA Manager maintains adherence to their investment discipline while providing clients with investment decisions. The SMA Manager provides updated information upon request about their organization and the products that they offer. Additionally, conference calls are periodically conducted. These calls are held with the key investment professionals of the firm and emphasize the SMA Managers' perspectives on current events, issues, and market conditions.

In the event a SMA Manager strategy is illustrating a continuous, meaningful dispersion from stated investment discipline or objective per investment holdings; performance compared to respective peer group either negative or positive; and/or alpha compared to respective peer group either negative or positive could lead to termination of SMA Manager by BFIC. Other considerations that could lead to a hold or termination of a SMA Manager include SMA Manager is no longer forthcoming with requested information and/or a change in management team.

Most of the items required by this item of the Wrap Fee Program Brochure instructions do not apply to Brokers Financial. Items that do apply are answered below.

Description of Other Advisory Services

Because Brokers Financial serves as the Portfolio Strategist of the Retirement Ally Program, the following is provided as brief descriptions of Brokers Financial's primary services. Detailed descriptions of Brokers Financial's services other than the Program are provided in our Form ADV Part 2A Disclosure Brochure.

Asset Management - Asset Management Services involve providing clients with continuous and on-going supervision over client accounts. This includes Brokers Financial Flexible Managed Account Program, Brokers Financial Edge Program, the Aspire Program and the Retirement Ally Program.

Outside Money Managers - We also provide advisory services by referring clients to outside, or unaffiliated, Third Party Managers that are registered or exempt from registration as investment advisers. Under this service the Third Party Managers will be responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

Specialization – IARs may focus on specific or certain types of advisory services over other types of advisory services.

Advice on Certain Types of Investments – With some exceptions, our IARs may provide investment advice on most types of investments owned by a client and, at the specific request of a client, will explore investment options not currently owned by a client. However, our IARs are not permitted to provide advice on futures or commodity contracts. Brokers Financial also requires that Third Party Managers used by Brokers Financial IARs be approved by Brokers Financial.

Performance-Based Fees and Side-By-Side Management

Brokers Financial does not charge or accept performance-based fees. Regulators have defined performance based fees as charging fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Financial Planning – Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. The role of a Financial Advisor in providing financial planning services is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Hourly Consulting Services – Hourly consulting services do not involve the active management of client accounts. Hourly consulting services can be described as an IAR working with a client throughout the year on several different aspects of financial planning but without the delivery of an overall financial plan.

Retirement Plan Consulting Services – We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under ERISA. Retirement consulting services may consist of general or specific advice.

Methods of Analysis, Investment Strategies and Risk of Loss

A. Method of Analysis

Brokers Financial IARs use various methods of analysis and investment strategies. Methods and strategies will vary based on the Brokers Financial IAR providing advice. Models and strategies used by one IAR may be different than strategies used by other IARs. Some Brokers Financial IARs may use just one method or strategy while other IARs may rely on multiple methods or strategies. Brokers Financial does not require or mandate a particular investment strategy be implemented by its IARs. Further, Brokers Financial has no requirements for using a particular analysis method and our IARs are provided flexibility (subject to Brokers Financial's supervision and compliance requirements) when developing their investment strategies. The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by our IARs.

Fundamental - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about

using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

B. Investment Styles and Strategies

Brokers Financial utilizes several strategies when managing client accounts. Below may be some of the investment strategies used by Aspire and Retirement Ally Programs:

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Margin transactions - When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm.

Options including buying puts and calls, writing puts and calls, covered and uncovered - Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical Asset Allocation - Allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are stated minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. A form of market timing is possible, since the investor can move to the higher end of the range when certain asset classes are expected to do better and to the lower end when the current market conditions look unattractive. Certain Tactical Asset

Allocation strategies include the ability to use cash up to a defined percentage including 100% as a means for preserving capital during extreme negative market events.

Strategic Asset Allocation - Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for stated objective grows shorter.

Adaptive Asset Allocation – Certain models may include an adaptive asset allocation as, or as part of, an investment strategy. In general, an adaptive asset allocation is a strategy where the IAR for Aspire Program accounts or Brokers Financial for Retirement Ally Program accounts will try to identify the best times to be fully invested and when to reduce investment exposure. This service is designed to take advantage of capital market fluctuations by being invested based on the anticipated market direction. Clients should be aware that this strategy is considered an aggressive, higher-risk investment strategy.

Modern Portfolio Theory - Proposes that investing in a predetermined asset mix derived from the efficient frontier (dictated to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments positive returns are not guaranteed. In conjunction to investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client’s investment needs and goals. These parameters can include, but are not limited to, tax efficiency, concentrated stock positions and management history.

C. Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk** – When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific

to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk – When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk – Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our Firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities.

Voting Client Securities

Brokers Financial will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in your accounts managed by our Firm.

You will receive proxies directly from your account custodian or investment transfer agent and these documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 7 – Client Information Provided to Portfolio Managers

While Portfolio Managers are responsible for managing their portfolios, they generally do not have access to a Client's individual information, objectives, or personal information. Portfolio Managers who require their own paperwork will have access to a Client's information. In instances where a Portfolio Manager does not use their own paperwork, Brokers Financial will share enough information (i.e. name, account number, portfolio model) with the Portfolio Manager in order to facilitate the ability of the Portfolio Manager to perform their duties. This information is provided as needed.

Item 8 – Client Contact with Portfolio Managers

Clients generally will contact their IARs to obtain account information, ask questions about their accounts, or provide updates to their personal information.

Item 9 – Additional Information

Disciplinary Information

April 4, 2012 – Regulatory Action Initiated by the Financial Industry Regulatory Authority

On April 4, 2012 Brokers Financial submitted a Letter of Acceptance, Waiver and Consent (AWC) to the Financial Industry Regulatory Authority (FINRA) for the purpose of settling alleged rule violations. Brokers Financial entered into the AWC without admitting or denying the findings and was censured and fined \$16,000 for failing to make timely filings or making inaccurate filing for reportable events under FINRA and NASD Rules, deficient written supervisory procedures, and allowing an individual to be associated with the firm who had become disqualified from FINRA registration related to a felony conviction due to a motor vehicle violation.

July 27, 2016 – Regulatory Action Initiated by the Financial Industry Regulatory Authority

On July 27, 2016 Brokers Financial submitted an AWC to FINRA for the purpose of settling alleged rule violations. Brokers Financial entered into the AWC without admitting or denying the findings and was censured and fined \$45,000 for utilizing a form for variable annuity purchases that failed to confirm that customers had been fully informed of the material features and fees of variable annuities prior to recommending that they invest in those products and therefore approved solicited variable annuity purchases without adequate information to make reasonable suitability determinations.

Other Financial Industry Activities and Affiliations

Brokers Financial is **not** and does **not** have a related company that is an (1) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), (2) futures commission merchant, commodity pool operator, or commodity trading advisor, (3) banking or thrift institution, or (4) sponsor or syndicator of limited partnerships.

Our principal business is that of a securities broker-dealer. Brokers Financial spends in excess of 65% of its time on securities brokerage business. Advisor Representatives may be licensed to sell securities in the capacity as Registered Representatives or Registered Principals with Brokers Financial. Advisor Representatives, acting in their separate capacities as Registered Representatives or Registered Principals of Brokers Financial, may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Advisor Representatives may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based Brokers Financial account in addition to an advisory account. In the event investment advisory clients elect to purchase these products through Brokers Financial, Brokers Financial and the client's Advisor Representative, in the capacity as a Brokers Financial Registered Representative, will receive the normal and customary commission compensation in connection with the specific product purchased. Brokers Financial does not require its Advisor Representatives to encourage clients to implement investment advice through Brokers Financial broker/dealer. Clients of Brokers Financial are free to implement investment advice through any Broker/Dealer or product sponsor they may select. However, clients should understand that, due to certain regulatory constraints, Advisor Representatives, in the capacity as a dually Registered Representative, must place all purchases and sales of securities products in commission-based brokerage accounts through Brokers Financial or other Brokers Financial approved institutions.

Participation or Interest in Client Transactions

In addition to its investment adviser business, Brokers Financial is a registered broker-dealer. Through its broker-dealer representatives Brokers Financial transacts business in a variety of securities products. Most of these products generate compensation in the form of commissions to both the representative and to Brokers Financial.

Material arrangements with related entities

In addition to being a dually registered broker-dealer and investment adviser, Brokers Financial is licensed as an insurance agency. IARs of Brokers Financial will normally have a contract relationship with that agency and solicit Clients to purchase insurance. Products sold by IARs in their capacity as insurance agents or brokers will generally involve first year commissions significantly higher than those of adviser program fees.

Brokers Financial is a wholly owned subsidiary of Brokers International, Ltd. ("Advisor's Owner" or "BI"). BI is an insurance agency that wholesales disability insurance, long-term care, life insurance and annuities to third-party insurance agents. BI is not registered as an investment adviser or securities broker-dealer. Brokers Financial IARs may also be employees of BI and/or may be licensed as insurance agents.

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts. In addition, an investment adviser has a duty of utmost good faith to act solely in the best interest of each of its clients. Brokers Financial and its supervised persons have a fiduciary duty to all clients. Brokers Financial has established a Code of Ethics, which all supervised persons must read and then execute an acknowledgement agreeing that they understand and agree to comply with Brokers Financial Code of Ethics. Brokers Financial and its supervised persons' fiduciary duty to clients is considered the core underlying principle for Brokers Financial Code of Ethics and represents the expected basis for all supervised persons' dealings with clients. Brokers Financial has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All supervised persons will conduct business in an honest, ethical and fair manner. All supervised persons will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All supervised persons have a responsibility to avoid circumstances that might negatively affect or appear to affect the supervised persons' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of Brokers Financial Code of Ethics. If current or prospective clients wish to review Brokers Financial Code of Ethics in its entirety, a copy may be requested from any of Brokers Financial supervised persons and a copy will be provided promptly.

Affiliate and Employee Personal Securities Transactions Disclosure

Brokers Financial is and shall continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Brokers Financial and our associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. It is the express policy of Brokers Financial that no associated person of our Firm may purchase or sell any security prior to a transaction being implemented for an advisory account, and therefore, preventing such associated persons from benefiting from transactions placed on behalf of advisory accounts. The Firm monitors this activity by a periodic review of all associated persons Personal Securities Transactions in accordance with our supervisory procedures.

A conflict of interest may arise if the IAR/associated person and a client own or trade in the same or similar security. The price at which an order is executed can vary significantly and may present a conflict of interest.

SEC regulations and Brokers Financial policies require that the client receive the best price and most favorable execution reasonably possible. In a situation where orders are entered for both the IAR/associated person and client accounts for substantially the same security, Brokers Financial will execute the IAR/associated person's order only after the client's order has been executed. Entering an order for the IAR/associated person's benefit before soliciting orders from clients potentially violates

“front-running” standards. Therefore, Brokers Financial reserves the right to prohibit solicited client orders from which an IAR might directly or indirectly benefit for up to 48 hours after an IAR’s trade is entered.

Brokers Financial IARs/associated persons have an obligation to submit orders so that the resulting price to the customer is as favorable as possible under prevailing market conditions.

Account Reviews and Reviewers

Brokers Financial requires at least annual contact between IARs and their asset management clients. The purpose of the contact is to discuss changes in client’s financial status, investment policy statement, investment objectives, and trading strategy to ensure the advisory program they are invested in continues to be an appropriate investment advisory services option. Review of the trading activity and addressing any question the client(s) may have should be part of this review. Additional reviews may be caused by a change in client circumstances or client request. Securities held in accounts managed by Brokers Financial are monitored periodically. The client’s IAR is responsible for reviewing accounts on behalf of Brokers Financial.

Your IAR is the primary person responsible for reviewing your individual accounts managed by Brokers Financial. Your IAR may seek the advice of other Brokers Financial advisory personnel when conducting reviews and formulating strategies.

Statements and Reports

Clients will receive statements at least quarterly from the custodian at which their accounts are maintained. Clients may also receive quarterly, monthly, or on-demand reports showing the investment performance of their accounts from Brokers Financial. ***Clients are urged to compare the reports provided by Brokers Financial against the account statements they receive directly from the account custodian.***

Client Referrals and Other Compensation

In addition to our typical Program arrangements, Brokers Financial may offer its Program under the following arrangements and may receive compensation and/or economic benefit for providing services under the Program:

Solicitation Arrangements

Situations may arise in which unaffiliated individuals may solicit clients for Brokers Financial that they deem appropriate. Pursuant to a written referral agreement between Brokers Financial and unaffiliated individuals and other parties (collectively, “Solicitors”), Solicitors agree to refer prospective clients to Brokers Financial to participate in our investment management programs. Where applicable, the agreement will identify the roles and responsibilities of the solicitor, the IAR and Brokers Financial and the specific amount of the annual advisory fee to be shared with the solicitor. This fee compensates the Solicitor for referring clients to us, assisting in the enrollment of clients for participation in our programs, and facilitating communication between us and clients. The annual advisory fee charged to the client will not be affected if the client was introduced or referred by a solicitor. Through the Solicitors Written Disclosure Document, each client is made aware of the referral agreement prior to or at the time of entering into an advisory contract and acknowledges receipt of a current Brokers Financial Form ADV Part 2A or appropriate Wrap Fee Brochure. The advisory fee will be paid quarterly for so long as the client maintains an Investment Advisory Agreement with Brokers Financial and the solicitor’s agreement with Brokers Financial remains in-force. If at any time either agreement is terminated, the advisory fee payments to the solicitor will cease.

Other Compensation

Please refer to Item 4 for a description of the economic benefits received from TD Ameritrade.

Brokers Financial, its owner, Brokers International, Ltd., and our IARs in their separate capacity as an insurance agency and agent receive commissions for the recommendation/sale of annuities and other insurance products. Certain insurance companies may offer incentives in addition to the standard compensation to Brokers Financial, BI and your IAR acting in their separate capacities as insurance agents if your IAR sells a particular annuity or insurance product as a part of a special promotion during a specific brief window of time. Moreover, certain insurance companies may offer Brokers Financial IARs acting in their separate capacity as an insurance agent additional incentive compensation such as vacation trips for meeting a sales goal associated with the insurance agent's overall sale of a particular annuity or insurance product offered by that insurance company. Brokers Financial IARs acting in their separate capacity as an insurance agent may also utilize a third-party insurance marketing organization ("IMO"). The IMO may share with your IAR acting in a separate capacity as an insurance agent a portion of the overrides that the IMO receives from the insurance company for the IMO's wholesaling activities associated with the sale of an annuity or insurance product by the insurance agent. The IMO may also offer special incentive compensation such as vacation trips to your IAR acting in their separate capacity as an insurance agent if the insurance agent meets certain overall sales goals by placing annuities and/or other insurance products through the IMO.

Brokers Financial also received From TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent Investment Advisers participating in the program. Specifically, the Additional Services include consolidated account reporting from Albridge Wealth Reporting. TD Ameritrade provides the Additional Services to Brokers Financial in its sole discretion and at its own expense, and Brokers Financial does not pay any fees to TD Ameritrade for the Additional Services. Brokers Financial and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

Brokers Financial's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Brokers Financial, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Brokers Financial's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Brokers Financial, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Brokers Financial may have an incentive to recommend to its clients that the assets under management by Brokers Financial be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Brokers Financial's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including to seek best execution of trades for client accounts. As part of its fiduciary duties to clients, Brokers Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Brokers Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Brokers Financial's choice of TD Ameritrade for custody and brokerage services.

You should be aware that the receipt of commissions and additional incentive compensation itself creates a conflict of interest and may affect the independent judgment of your IAR when making recommendations about annuities and insurance products in general or a particular annuity or insurance product offered by a certain insurance company or through an IMO.

Brokers Financial, in its capacity as an insurance agency, has entered into a referral arrangement with American Trust & Savings Bank, whereby Brokers Financial IARs acting in their separate capacities as insurance agents may refer clients to American Trust & Savings Bank's 401(k) retirement plan platform. When a client establishes an account through the 401(k) platform, American Trust & Savings Bank will pay Brokers Financial in its capacity as an insurance agency, a portion of the on-going percentage based fee charged to the client by American Trust & Savings Bank. Therefore, a conflict of interest exists between Brokers Financial and its clients when recommending the 401(k) plan services of American Trust & Savings Bank over other 401(k) services. Clients are not obligated to use the services of America Trust & Savings Bank.

Financial Information

This item is not applicable to this brochure. Brokers Financial does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. Brokers Financial is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Brokers Financial has not been the subject of a bankruptcy petition at any time.

Item 10 – Requirement for State-Registered Advisers

Brokers Financial is a federally registered investment adviser, therefore, this section does not apply.