

Item 1: Cover Page
Part 2A of Form ADV: Firm Brochure
September 2018

De Groote Financial Group, LLC

a Registered Investment Adviser

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Chief Compliance Officer

This brochure provides information about the qualifications and business practices of De Groote Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (805) 230-0111 or doug@degrootefinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov by searching CRD# 168178. De Groote Financial is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

De Groote Financial is required to discuss any material changes that have been made to the brochure since the last annual amendment. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since the last annual amendment filed on March 27, 2018, we have no material changes to disclose.

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Item 4: Advisory Business

De Groote Financial offers a variety of advisory services, which include financial planning and investment management services. Prior to the rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with De Groote Financial setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”).

De Groote Financial began conducting business as an investment adviser in August 2013, and is owned by its Managing Member, Douglas C. De Groote. As of December 31, 2017, De Groote Financial had \$226,000,000 of assets under management. \$206,000,000 of which was managed on a discretionary basis and \$20,000,000 of which was managed on a non-discretionary basis.

While this brochure generally describes the business of De Groote Financial, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on De Groote Financial’s behalf and is subject to the Firm’s supervision or control.

Types of Advisory Services Offered

Financial Planning Services

De Groote Financial offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Asset Allocation
- Retirement Planning
- Estate Planning
- Investment Consulting
- Insurance Needs Analysis
- Risk Management

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (as described below). In performing these services, De Groote Financial is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

De Groote Financial may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage De Groote Financial to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by De Groote Financial under a financial planning engagement or to engage the services of any such recommended professionals, including De Groote Financial itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising De Groote Financial’s previous recommendations and/or services.

Investment Management and Wealth Management Services

De Groote Financial manages client investment portfolios on a discretionary or non-discretionary basis. In addition, De Groote Financial may provide clients with wealth management services which may include a broad range of comprehensive financial planning services as well as discretionary management of investment portfolios.

De Groote Financial primarily allocates client assets among various independent investment managers ("*Independent Managers*"), mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities in accordance with the investment objectives of its individual clients.

De Groote Financial also allocates client assets in similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various investments, including fixed income securities, equities, and cash, on a discretionary basis using one or more its proprietary investment strategies. These portfolios include the following:

- **The ETF Core Conservative Portfolio** – In this portfolio, client assets are primarily invested in fixed income securities across all markets and sectors and cash (approximately seventy percent). A portion of client assets are also invested in equities across all sectors and markets, depending on the global economy (approximately thirty percent).
- **The ETF Core Balanced Portfolio** – In this portfolio, client assets are invested in fixed income securities across all markets and sectors and cash (approximately fifty percent) and equities across all sectors and markets, depending on the global economy (approximately fifty percent).
- **The ETF Core Growth Portfolio** – In this portfolio, client assets are primarily invested in equities across all sectors and markets, depending on the global economy (approximately ninety-seven percent). The portfolio will maintain approximately three percent in cash.

The above-described portfolios are rebalanced quarterly.

In addition, De Groote Financial may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage De Groote Financial to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, De Groote Financial directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

De Groote Financial tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. De Groote Financial consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify De

Groote Financial if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if De Groote Financial determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Use of Independent Managers

As mentioned above, De Groote Financial may select certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either De Groote Financial or the client. De Groote Financial does not receive compensation from any such *Independent Managers*.

De Groote Financial evaluates various information about the *Independent Managers* it chooses to manage client portfolios, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. De Groote Financial also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

De Groote Financial continues to provide services relative to the discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed by *Independent Managers*. De Groote Financial seeks to ensure the *Independent Managers'* strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Turnkey Asset Management Program

De Groote Financial has entered into a contractual relationship with Dynasty Financial Partners, LLC ("Dynasty"), which provides De Groote Financial with operational and back office support including access to a network of service providers. Through the Dynasty network of service providers, De Groote Financial may receive preferred pricing on trading technology, reporting, custody, brokerage, compliance and other related services. Dynasty charges a "Platform Fee," for which, unless otherwise disclosed, the client will be charged, separate from and in addition to such client's annual investment management fee, as described in Item 5 below. In addition, Dynasty's subsidiary, Dynasty Wealth Management, LLC ("DWM") is an SEC registered investment adviser, that provides access to a range of investment services including: separately managed accounts ("SMA"), mutual fund and ETF asset allocation strategies, and unified managed accounts ("UMA") managed by external third party managers (collectively, the "Investment Programs"). De Groote Financial and its clients may separately engage the services of Dynasty and/or its subsidiaries to access the Investment Programs. Under the SMA and UMA programs, De Groote Financial will maintain the ability to select the specific, underlying third party managers that will, in turn, have day-to-day discretionary trading authority over the requisite client assets.

DWM sponsors an investment management platform (the "Platform" or the "TAMP") that is available to the advisers in the Dynasty Network, such as De Groote Financial. Through the Platform, DWM and Dynasty collectively provide certain technology, administrative, operations and advisory support

services that allow advisers to manage their own portfolios and access independent third-party managers that provide discretionary services in the form of traditional managed accounts and investment models. Advisers can allocate all or a portion of client assets among the different independent third-party managers via the Platform. Advisers may also use the model management feature of the TAMP by creating their own asset allocation model and underlying investments that comprise the model. Through the model management feature, advisers may be able to outsource the implementation of trade orders and periodic rebalancing of the model when needed.

De Groote Financial will maintain the direct contractual relationship with each client and obtain, through such agreements, the authority to engage independent third-party managers, DWM and/or Dynasty, as applicable, for services rendered through the Platform in service of such client. De Groote Financial may delegate discretionary trading authority to DWM and/or independent third-party managers to effect investment and reinvestment of client assets with the ability to buy, sell or otherwise effect investment transactions and allocate client assets. If a client is participating in certain Investment Programs, DWM or the designated manager, as applicable, is also authorized without prior consultation of De Groote Financial or the client to buy, sell, trade or allocate such client's assets in accordance with the client's designated portfolio and to deliver instructions to the designated broker-dealer and/or custodian of such client's assets.

Additionally, De Groote Financial uses DWM's customized portfolio solutions, which are offered to investment advisers through its Outsourced Chief Investment Officer Program (the "OCIO Program"). Through the OCIO Program, DWM provides discretionary investment management services through its Investment Committee, in concert with research furnished by Callan Associates and iCapital Securities, LLC. Portfolios are constructed, implemented and monitored through an institutional due diligence program that functions at the sub-manager and product level.

Participation in Wrap Fee Programs

De Groote Financial is the sponsor and manager of the De Groote Financial Wrap Fee Program (the "*Program*"), a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the firm). Accounts managed through the *Program* are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the *Program* is available in De Groote Financial's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

Item 5: Fees & Compensation

De Groote Financial offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management or advisement.

Compensation for Our Advisory Services

Financial Planning Fees

De Groote Financial generally charges a negotiable fixed fee to provide clients with stand-alone financial planning services. These fees are largely determined by the scope and complexity of the agreed upon services and generally range from \$5,000 to \$10,000.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with De Groote Financial. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within six months. If the client engages De Groote Financial for additional investment advisory services, De Groote Financial may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Investment Management and Wealth Management Fees

De Groote Financial provides investment management services for an annual fee based on the amount of assets under the Firm's management. The annual fee for assets managed outside of the Firm's ETF Core Conservative, ETF Core Balanced, and ETF Core Growth portfolios generally varies between 85 and 150 basis points (0.85% – 1.50%) in accordance with the following blended fee schedule:

| Assets Under Management | Annual Percentage of Assets Charge |
|--------------------------------|---|
| Up to \$499,999 | 1.50% |
| \$500,000 to \$999,999 | 1.25% |
| \$1,000,000 - \$2,000,000 | 1.00% |
| Over \$2,000,000 | 0.85% |

The annual fee for assets managed in the Firm's ETF Core Conservative, ETF Core Balanced, and ETF Core Growth portfolios is generally 25 basis points (0.25%). For all assets, the annual fee is prorated and charged quarterly in advance, based upon the market value of the assets being managed by De Groote Financial on the last day of the previous billing period.

If assets in excess of \$10,000 of the existing portfolio value are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the change in portfolio value. For the initial term of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

As discussed in Item 4, De Groote Financial uses Dynasty's TAMP services. TAMP related charges are not included in the investment management fee you pay to De Groote Financial. You will be charged, separate from and in addition to your investment management fee, any applicable Platform Fees as well as applicable independent manager fees. De Groote Financial does not receive any portion of the fees paid directly to Dynasty or the service providers made available through its platform, including the independent managers.

Each of the Platform Fee and independent manager fees are determined by the particular program(s) and manager(s) with which your assets are invested, and are calculated based upon a percentage of your assets under management, as applicable. The Platform Fee generally ranges from 0 - .45% annually, independent fixed income manager fees generally range from 0 - .90% annually, and independent equity manager fees generally range from 0 – 1.50% annually.

You will note the total fee reflected on your custodial statement will represent the sum of De Groote Financial's investment management fee, Platform Fee(s) and independent manager fee(s), accordingly. You should review such statements to determine the total amount of fees associated with your requisite investments, and you should review your investment management agreement with De Groote Financial to determine the investment management fee you pay to us.

Fee Debit

Clients generally provide De Groote Financial with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to De Groote Financial. Alternatively, clients may elect to have De Groote Financial send them an invoice for direct payment.

Fee Discretion

De Groote Financial, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

Account Additions and Withdrawals

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

Other Types of Fees & Expenses

In addition to the advisory fees paid to De Groote Financial, non-wrap clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions.

Commissionable Securities Sales

Our firm and representatives do not sell securities for a commission in advisory accounts.

Item 6: Performance-Based Fees & Side-By-Side Management

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

Item 7: Types of Clients & Account Requirements

De Groote Financial provides its services to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

No Minimum Account Requirements

De Groote Financial does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than De Groote Financial. In these instances, De Groote Financial may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

De Groote Financial may utilize a combination of fundamental and technical methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For De Groote Financial, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

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

Investment Strategies We Use

De Groote Financial focuses its portfolio investments primarily in ETFs, but it will also utilize a variety of other traditional bonds and equities to further diversify the Firm's managed portfolios. The firm will also utilize separate account managers, and occasionally invest in private placement funds, REITs and MLPs.

Risk of Loss

General Risk of Loss

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

Market Risks

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

Mutual Funds and ETFs

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

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

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

De Groote Financial may recommend the use of *Independent Managers*. In these situations, De Groote Financial continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies.

In addition, De Groote Financial generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

Use of Private Collective Investment Vehicles

De Groote Financial recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and other offering documents explaining such risks prior to investing.

Master Limited Partnerships (MLPs)

Master Limited Partnerships (“MLPs”) are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their *pro rata* share of the partnership taxes, regardless of the types of accounts where the interests are held.

Real Estate Investment Trusts (REITs)

De Groote Financial may recommend an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Management Through Similarly Managed “Model” Accounts

De Groote Financial manages certain accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. Clients should contact De Groote Financial if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Item 9: Disciplinary Information

De Groote Financial has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities & Affiliations

Douglas C. De Groote is a licensed insurance agent/broker. He will not, however, be offering insurance products nor will he receive customary fees as a result of insurance sales.

De Groote Financial maintains a business relationship with Dynasty Financial Partners, LLC (“Dynasty”). Dynasty offers operational and back office core service support including access to a network of service providers. Through the Dynasty network of service providers, De Groote Financial

may receive preferred pricing on trading technology, transition support, reporting, custody, brokerage, compliance, and other related consulting services.

While De Groote Financial believes this open architecture structure for operational services best serves the interests of its clients, this relationship may potentially present certain conflicts of interest due to the fact that Dynasty is paid by De Groote Financial or its clients for the services referenced above. In light of the foregoing, De Groote Financial seeks at all times to ensure that any material conflicts are addressed on a fully-disclosed basis and handled in a manner that is aligned with its clients' best interests. De Groote Financial does not receive any portion of the fees paid directly to Dynasty, its affiliates or the service providers made available through Dynasty's platform. In addition, De Groote Financial reviews such relationships, including the service providers engaged through Dynasty, on a periodic basis in an effort to ensure clients are receiving competitive rates in relation to the quality and scope of the services provided.

De Groote Financial has entered into an agreement with Dynasty Capital Strategies, LLC, a wholly-owned subsidiary of Dynasty and an affiliate of Dynasty Wealth Management, LLC, a registered investment adviser, to sell, via a note, an agreed percentage of the revenue generated by De Groote Financial and in return receives a fixed amount of funds payable over an agreed time frame. Such funds may be used for business transition expenses and other costs associated with launching operations and for business expansion. De Groote Financial is not obligated to enter into such a note in order to obtain other services from Dynasty, however, such notes are only made available for advisers who remain members of the Dynasty Network of registered investment advisers. The notes are subject to standard underwriting practices by Dynasty and are based on commercially reasonable terms.

De Groote Financial and its representatives may refer clients to the Demand Deposit MarketplaceSM Program (the "DDM Program") operated by Stable Custody Group II, LLC with administrative assistance from Reich & Tang Deposit Solutions, LLC. De Groote Financial may receive compensation for client participation in the DDM Program, such as an advisory fee and/or a percentage of the fee income generated through the DDM Program.

A recommendation by De Groote Financial that a client participate in the DDM Program presents a conflict of interest, as the receipt of related compensation may provide an incentive to recommend the product based on such compensation, rather than on a particular client's need. No client is under any obligation to purchase any products or services recommended by De Groote Financial or its representatives. Clients are reminded that they may purchase or select other potentially similar products or services recommended by De Groote Financial through parties from which De Groote Financial does not stand to receive any additional benefit or compensation.

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

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

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

When the Firm is engaging in or considering a transaction in any security on behalf of a client where there may be a potential for conflict, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

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

Clients and prospective clients may contact De Groote Financial to request a copy of its *Code of Ethics*.

Item 12: Brokerage Practices

De Groote Financial generally recommends that clients utilize the brokerage, clearing and custodial services of Schwab Advisor Services™ ("*Schwab*") for investment management accounts.

Factors which De Groote Financial considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables De Groote Financial to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Schwab* has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to *Schwab*. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

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

Transactions may be cleared through other *Financial Institutions* with whom De Groote Financial and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. De Groote Financial periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

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

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

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist De Groote Financial in its investment decision-making process. Such research generally will be used to service all of the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or

services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because De Groote Financial does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

De Groote Financial may receive from *Schwab*, without cost to De Groote Financial, computer software and related systems support, which allow De Groote Financial to better monitor client accounts without cost because De Groote Financial renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit De Groote Financial, but not its clients directly. In fulfilling its duties to its clients, De Groote Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that De Groote Financial’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence De Groote Financial’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Schwab Advisor Services

Additionally, De Groote Financial may receive the following benefits from *Schwab* through its Schwab Advisor Services division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13: Review of Accounts or Financial Plans

For those clients to whom De Groote Financial provides investment management services, De Groote Financial monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom De Groote Financial provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of De Groote Financial’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with De Groote Financial and to keep De Groote Financial informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from De Groote Financial and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from De Groote Financial or an outside service provider.

Item 14: Client Referrals & Other Compensation

Client Referrals General Solicitors

If a client is introduced to De Groote Financial by either an unaffiliated or an affiliated solicitor, De Groote Financial may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Unless otherwise disclosed, any such referral fee is paid solely from De Groote Financial's investment management fee and does not result in any additional charge to the client. If the client is introduced to De Groote Financial by an unaffiliated solicitor, the solicitor provides the client with a copy of De Groote Financial's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of De Groote Financial discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of De Groote Financial's written disclosure brochure at the time of the solicitation.

Other Economic Benefits

De Groote Financial has arrangements in place whereby the Firm receives an economic benefit from a third-party for providing investment advice to clients participating in the Program. Specifically, Schwab may provide the Firm with computer software and related systems support, which allow De Groote Financial to better monitor client accounts maintained at Schwab. De Groote Financial may receive the software and related support without cost because De Groote Financial renders investment management services to clients that maintain assets at Schwab. The software and related systems support may benefit De Groote Financial, but not its clients directly. In fulfilling its duties to its clients, De Groote Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that De Groote Financial's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence De Groote Financial's choice of broker-dealer over another that does not furnish similar software, systems support, or services.

Clients and prospective clients should review Item 10 for information about parties De Groote Financial may refer clients to and additional compensation De Groote Financial may receive from these parties.

Item 15: Custody

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

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

Third Party Money Movement:

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

De Groote Financial is given the authority to exercise discretion on behalf of clients. De Groote Financial is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. De Groote Financial is given this authority through a power-of-attorney included in the agreement between De Groote Financial and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). De Groote Financial takes discretion over the following activities:

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

Item 17: Voting Client Securities

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

Item 18: Financial Information

De Groote Financial is not required to disclose any financial information pursuant to this Item due to the following:

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