



**FORM ADV PART 2A - FIRM BROCHURE
ITEM 1: COVER PAGE
May 14, 2019**

**RFG ADVISORY, LLC
1400 URBAN CENTER DRIVE, SUITE 475
VESTAVIA HILLS, AL 35242**

**FIRM CONTACT: VICTORIA A. SCOLES, CHIEF COMPLIANCE OFFICER
WWW.RFGADVISORY.COM
FIRM CRD# 158401**

This brochure provides information about the qualifications and business practices of RFG Advisory, LLC (RFG Advisory). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Victoria A. Scoles, by telephone at (314) 699-9241. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about RFG Advisory is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note use of the term "registered investment adviser" and description of RFG Advisory and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and the Brochure Supplement for the firm's Investment Advisor Representative (Financial Advisor) who advises them for more information on the qualifications of RFG Advisory, LLC and the Financial Advisor.

ITEM 2. MATERIAL CHANGES

RFG Advisory is required to advise Clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a Client or prospective client who has not received a previous version of our brochure.

This Brochure dated May 14, 2019, is an amendment to the Brochure for RFG Advisory, LLC.

Since the filing of the firm’s annual amendment on March 31, 2019, we have made various changes to our Brochure.

Pursuant to regulatory requirements, we will deliver to Clients a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided free of charge.

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ITEM 4. ADVISORY BUSINESS

RFG Advisory provides Clients with a wide array of investment advisory services. We specialize in Comprehensive Portfolio Management, Financial Planning and Consulting, Referrals to Third Party Money Managers, Retirement Plan Consulting, and Financial Wellness services. Our firm is a limited liability company formed in the State of Alabama in business as an investment adviser since 2011 and is owned as follows:

Bobby Ray White- 60% owner

Shannon Spotswood- 20% owner

Rick Wedell –20% owner

Description of the Types of Advisory Services We Offer

Clients may select from a variety of investment advisory services including Comprehensive Portfolio Management, Financial Planning and Consulting, Referrals to Third Party Money Managers, Retirement Plan Consulting, and Financial Wellness services. Our firm provides services to Clients through individuals registered as investment adviser representatives (“IARs”), whom are referred to internally as Financial Advisors.

RFG Advisory maintains agreements with TD Ameritrade (TD) and Schwab Advisor Services (Schwab) through which Clients may choose to custody their advisory assets. The Custodian chosen by the Client does not have discretionary authority over assets. The Client grants discretion to RFG Advisory through execution of the RFG Advisory Discretionary Agreement.

If suitable, Financial Advisors can refer Clients to unaffiliated third-party money managers. The manager will have discretion to determine the securities to be bought or sold within the account(s) based upon the Client’s investment objectives/risk tolerance. If the Client is referred to a third-party manager, trades may be executed for the Client’s account at a broker-dealer/custodian other than TD or Schwab subject to prior consent by RFG Advisory.

Clients are advised that the same or similar programs or services as those described herein may be available from other investment advisors for an annual fee lesser or greater than set forth herein, and that the programs described in this brochure may cost the Client more or less than purchasing the different services within each program separately depending upon such factors as trading activity, account size, portfolio management fees, mutual fund non-load or load charges, etc.

Clients will need to complete the necessary advisory account documents required by their custodian, by their third-party manager (where applicable), and by RFG Advisory.

Clients with a special situation will have the option to hold unmanaged assets inside a managed discretionary account under a separate RFG Advisory Non-Discretionary Agreement. This is a Client accommodation only with no asset management or advisory fees charged on the non-discretionary asset(s). We also provide for 10B5-1 accounts under our Non-Discretionary Agreement.

Financial Advisors will reasonably be available for consultation with Clients regarding the management of their account. Financial Advisors are responsible for the management and review of Client’s advisory

accounts on an ongoing basis. Additional periodic reviews are performed by the RFG Advisory compliance team.

Available Programs

A. Comprehensive Portfolio Management

Our Comprehensive Portfolio Management service encompasses asset management and providing financial planning/financial consulting to Clients where agreed upon through a separate Financial Planning/Consulting Agreement. It is designed to assist Clients in meeting their financial goals using financial investments. Financial Advisors conduct at least one, but sometimes more than one meeting (in person, telephone, video conference, or via email) with Clients to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on those findings, the Financial Advisor will propose an investment approach to the Client and the Client will have an opportunity to place reasonable restrictions on the types of investments to be held in the portfolio; if agreed upon by both the Client and the Financial Advisor the investment approach, guidelines and restrictions will form the investment objectives of the account. Upon the Client's agreement to the proposed investment plan, the Financial Advisor works with the Client to establish or transfer investment accounts to our management. Once the relevant accounts are under our management, the Financial Advisor reviews such accounts at least annually. Financial Advisors may periodically rebalance or adjust client accounts based upon a variety of circumstances. If the Client experiences any significant changes to his/her financial or personal circumstances, the Client must notify us so that we can consider such information in managing the Client's investments.

B. RFG Advisory Models

Financial Advisors may place Client accounts in one of the following proprietary investment strategies managed by RFG Advisory:

Steadfast Portfolios Program (SP)

Steadfast Portfolios offers Clients an asset allocation program using mutual funds and exchange-traded funds (ETFs) managed by RFG Advisory. The Client's advisor will assist the Client in setting an appropriate investment objective and determining the suitability of the program. The advisor will have discretion in selecting the appropriate asset allocation model portfolio from the Steadfast Portfolios consistent with the Client's stated investment objective.

The Client will authorize RFG Advisory on a discretionary basis to purchase and sell mutual funds and ETFs. The Client will also authorize RFG Advisory to effect rebalancing for the asset allocation model portfolio selected from the Steadfast Portfolios.

RFG Advisory is responsible for selecting the mutual funds and ETFs within a model portfolio and for making changes to the mutual funds and/or ETFs selected. A minimum account value of \$3,000 is required for Steadfast unless advisor receives prior authorization for an exception by RFG Advisory.

Steadfast Select Program (SS)

Steadfast Select offers Clients an exchange-traded funds (ETFs) asset allocation program managed by RFG Advisory. The Client's advisor will assist the Client in setting an appropriate investment objective and in determining the suitability of Steadfast Select.

The Client will authorize RFG Advisory on a discretionary basis to purchase and sell no transaction fee ETFs. The Client will also authorize RFG Advisory to effect rebalancing for the Steadfast Select.

RFG Advisory is responsible for selecting the ETFs and for making changes to the funds selected. A minimum account value of \$3,000 is required for Steadfast Select unless advisor receives prior authorization for an exception by RFG Advisory.

Advisor Select Portfolios Program

Advisor Select Portfolios offers Clients an asset allocation program using mutual funds and exchange-traded funds (ETFs) managed by RFG Advisory and third-party managers chosen by RFG Advisory. The Client's advisor will assist the Client in setting an appropriate investment objective and in determining the suitability of an Advisor Select Portfolio. The Financial Advisor will have discretion in selecting the appropriate asset allocation model portfolio from the Advisor Select Portfolios consistent with the Client's stated investment objective.

The Client will authorize RFG Advisory to purchase and sell mutual funds and ETFs on a discretionary basis. The Client will also authorize RFG Advisory to effect rebalancing for the asset allocation model portfolio selected from the Advisor Select Portfolios.

RFG Advisory is responsible for selecting the mutual funds and ETFs within a model portfolio and for making changes to the mutual funds and/or ETFs selected. A minimum account value of \$25,000 is required for Advisor Select Portfolios unless advisor receives prior authorization for an exception by RFG Advisory.

C. Use of Third-Party Management Platforms:

Financial Advisors can manage Client accounts under third party management platforms. In these instances, RFG Advisory is responsible for assisting the client in setting an appropriate investment objective, for assisting the client in selecting an appropriate asset allocation model portfolio from those available under the applicable platform, and for providing ongoing monitoring and review. The third-party management platform will be responsible for individual security selection, trading, and portfolio rebalancing. Details related to applicable third-party management platforms are disclosed in advance of any such engagements.

D. Referrals to Third Party Money Managers:

Financial Advisors can also refer Clients to third party money managers. In these instances, investment advice and trading of securities will only be provided by or through the chosen third-party money manager. Our firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring Clients, our firm will provide initial due diligence on the money manager. To assist in the selection of a third-party money manager, the Financial Advisor will gather Client information pertaining to

their financial situation, investment objectives, and reasonable restrictions, if any, to be imposed upon the management of the account.

RFG Advisory Financial Advisors will review third party money manager reports provided to the Client at least annually. The Financial Advisor will also contact Clients from time to time to review their financial situation and stated investment objectives and risk tolerance; communicate information to the money manager as warranted; and assist the Client in understanding and evaluating the services provided by the manager. Clients will be expected to notify RFG Advisory of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

E. Financial Planning and Consulting:

We provide a variety of financial planning and consulting services. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for Clients based on the Client's financial goals and objectives. This planning or consulting typically encompasses one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Executive Compensation Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

The written financial plans or financial consultations rendered to Clients usually include general recommendations for a course of activity or specific actions to be taken by the Clients. For example, recommendations can include that the Client begins or revises investment programs, creates or revises wills or trusts, obtains or revises insurance coverage, commences or alters retirement savings, or establishes education or charitable giving programs. It should also be noted that we refer Clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. While some of RFG Advisory's Financial Advisors are licensed attorneys or accountants, RFG Advisory does not provide any legal or accounting advice. Clients should seek the counsel of an outside attorney or accountant when necessary. For written financial planning engagements, we provide our Clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our Clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the Client signing a contract with us, if all the information and documents we request from the Client are provided to us promptly. Implementation of the recommendations will be at the discretion of the Client.

Several of our Financial Advisors specialize in retirement procedures for specific industries, such as Educators in the Missouri School system, and provide general consulting and education to such individuals at no cost. Financial Advisors accept referrals for advisory services from parties that provide general consulting and educational services. However, no compensation is paid by or received from the Financial Advisor for making such referral beyond the no cost consulting services. Some of our Financial Advisors are compensated indirectly for the referral in the form of an employee salary.

F. Retirement Plan Consulting:

RFG Advisory Financial Advisors provide non-discretionary retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment

options, plan structure and participant education.

Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our Financial Advisors may assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our Financial Advisors may work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our Financial Advisors may develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our Financial Advisors monitor the performance of the investments and notify the Client of changes as needed.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall follow the applicable state laws regulating retirement consulting services. This applies to Client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the Client accounts are part of a Plan, and our firm accept appointments to provide services to such accounts, RFG Advisory acknowledges its fiduciary standard within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

Tailoring of Advisory Services

Regardless of the services provided, each is tailored to the individual needs of a particular client (whether an individual, a family, or a business) through an assessment conducted prior to an engagement. Clients may impose restrictions related to the level of discretion granted, the types of investments used, etc. Terms of an actual engagement, including description of service, limitations and restrictions, fees, etc., are all detailed before any engagement begins in a written client agreement.

Regulatory Assets Under Management

As of December 31, 2018, RFG Advisory manages \$948,860,334 on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

How We Are Compensated for Our Advisory Services

Comprehensive Portfolio Management

Our annual fees for our Comprehensive Portfolio Management service shall be based on a negotiated

percentage of the market value of the assets under management and shall be calculated at up to 2.35% of all assets under management. The advisory fee rate is negotiated between the Financial Advisor and the Client and may be higher or lower than the fees that we charge other Clients in this or other programs; and may be higher or lower than the cost of similar services offered through other financial firms or purchasing the different services within each program separately. RFG Advisory Financial Advisors run their own practice and consequently levels of service and advisory fee negotiations will vary. RFG Advisory's fees are billed on a pro-rata annualized basis quarterly in advance based on the total value of the Client's account on the last day of the previous quarter.

RFG Advisory will instruct quarterly adjustments for mid quarter deposits and withdrawals in advisory accounts on which we bill. Advisory fees will be equal to the total billable market value of the account on the last day of the previous quarter, times the Client Fee % (per annum), divided by the number of days in the year and multiplied by the number of days in the quarter. Our firm assumes a 365-day billing cycle. RFG Advisory Client's total fee will include an additional platform fee up to 0.35% of all billable assets under management that is negotiated between RFG Advisory and the Financial Advisor. This does not apply to accounts held at third party managers.

Management fees deducted from the Client's managed accounts are based upon the management fee indicated on the RFG Advisory Discretionary Portfolio Agreement. RFG Advisory does not have the authority to instruct the broker-dealer/custodian to increase fees without written Client consent.

As part of this process, Client understands and acknowledge the following:

- a) the broker-dealer/custodian sends statements at least quarterly to Clients showing all disbursements for their account, including the amount of the advisory fees paid to our firm;
- b) The Client has provided authorization permitting fees to be directly paid by these terms;
- c) Our firm calculates the advisory fees for accounts custodied at TD and Schwab.
- d) Advisory fees are deducted by the broker-dealer/custodian from the Client's account.

*In rare cases, we may agree to directly bill Clients.

RFG Advisory Financial Advisors are incentivized to recommend RFG Advisory's Models, which are described in Item 4 under Available Programs Item B, as they may have lower overhead costs than other portfolios from which the Financial Advisor benefits. Despite these conflicts of interest, our Financial Advisors will always place Clients' best interest ahead of their own.

Use of Third-Party Management Platforms:

In instances where Client accounts are managed under a third-party management platform, additional management fees, platform costs, and minimums may apply. All such details however will be disclosed to Client in advance.

Referrals to Third Party Money Managers:

We are paid a solicitor fee by third party money managers when Clients whom we refer establish a managed account, which creates a conflict of interest. These managers pay us an ongoing portion of the investment advisory fee that they charge for managing the Client's account. The fees we receive from these solicitor relationships and the written separate disclosures made to the Client regarding these fees comply with applicable state statutes and rules. Our Financial Advisors provide separate written

disclosures including a copy of the third-party manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the fees we are paid and a copy of the third-party manager's privacy policy. The managers we recommend will not directly charge a higher fee than they would have charged without us introducing the Client to them.

Third party money managers establish and maintain their own separate billing processes which we have no control over. In general, they will bill the Client and describe their process in their separate written disclosure documents.

We also maintain sub-advisor relationships with numerous Third-Party Managers whereby we are compensated with a portion of the advisory fees charged by the manager. In some sub-advisor arrangements, RFG Advisory will bill the client for its portion of the fee.

The compensation paid to us by third-party managers varies, and thus, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. To minimize this conflict our firm will make our selections in the best interest of our Clients. Our firm's fees are not higher than they would have been had our Client obtained services directly from the third-party manager. Prior to referring Clients to a third-party manager, we will ensure that the manager is licensed with the respective authorities.

Financial Planning and Consulting:

We charge on a flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge, is based on the scope and complexity of our engagement. Flat fees are negotiated between the Financial Advisor and the Client and will not exceed \$50,000. Clients can elect to pay their financial planning and consulting fees by credit card or ACH, or can have their fee deducted from a managed account by directing the broker dealer/custodian through their execution of a third-party check request.

We reserve the right to require a retainer of up to fifty percent (50 %) of the estimated total financial planning or consulting fee with the remainder of the fee due at the time of delivery of the financial plan or consultation unless the Client has made other arrangements with their Advisor. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within six (6) months.

Retirement Plan Consulting:

Our Retirement Plan Consulting services are billed a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the Client. Fees based on a negotiated percentage of managed Plan assets will not exceed 1.00%. The advisory fee rate is negotiated between the Financial Advisor and the Client and may be higher or lower than the fees that we charge other Clients in this or other programs; and may be higher or lower than the cost of similar services offered through other financial firms or purchasing the different services within each program separately. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Clients will be invoiced directly for the fees, which may be paid by the Plan's third-party administrator.

Other Fees:

Clients will incur transaction fees for trades executed in their accounts. The transaction fees vary depending upon the custodian selected for the Client's account and will be charged directly by the custodian. Client accounts with TD and Schwab as custodian are either charged on a per transaction-based basis or a fixed asset-based pricing with a minimum annual fee imposed by the respective custodian. These transaction fees are separate from our advisory fees and will be disclosed by the custodian. Also, Clients will pay the following separately incurred expenses, which RFG Advisory does not receive any part of: various service and account maintenance charges imposed directly by, and disclosed by, the custodian; a mutual fund, index fund, annuity, alternative asset fund, or exchange traded fund which are disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Refunds Following Termination

We charge our advisory fees quarterly in advance. Clients will need to contact our firm stating they wish to terminate their RFG Advisory contract. RFG Advisory will instruct the custodian that a pro-rata unearned portion of our advisory fee is to be credited back the Client account.

The Client, Financial Advisor or RFG Advisory may terminate the agreement upon providing the other parties thirty (30) days written notice. Billing will terminate within 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account the work completed by RFG Advisory on behalf of the Client.

Commissionable Securities Sales

Some Financial Advisors of RFG Advisory are also registered representatives of Private Client Services (PCS), member FINRA/SIPC. As such they can accept compensation for the sale of securities or other investment products, including but not limited to the distribution or service ("trail") fees from the sale of stocks, bonds, mutual funds, annuities, alternative asset funds and other similar investment products. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our Financial Advisors an incentive to recommend investment products based on the compensation received. Our firm does not prohibit Clients from purchasing recommended investment products through other unaffiliated brokers or agents.

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

We do not charge performance-based fees.

ITEM 7. TYPES OF CLIENTS

We service individuals, high net worth individuals, trusts, estates, charitable organizations, pension and profit sharing plans, banking and thrift institutions, corporations, limited liability companies and/or other business types.

RFG Advisory has the following minimum account requirements:

- A minimum account value of \$25,000 is required for all Advisor Select Portfolios Program

- A minimum account value of \$3,000 is required for Steadfast Portfolios Program.
- A minimum account value of \$3,000 is required for Steadfast Select Portfolios Program.

All minimums are required but may be subject to negotiation between the Financial Advisor and the Client. Any exception from the account minimum requirement must receive prior approval by RFG Advisory.

For Information regarding minimums required by third-party managers, please refer to the applicable manager's ADV Part 2 Disclosure Brochure which is available upon request

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing Client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Investment Strategies We Use

We use the following strategies in managing Client accounts, provided that such strategies are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. When utilizing this strategy, we purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a Client. Moreover, if our predictions are incorrect, a security can decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them

within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Margin transactions. We will purchase stocks for a Client portfolio with money borrowed from their advisory account. This allows the Client to purchase more stock than they would be able to with their available cash and allows us to purchase stock without selling other holdings. Prior to RFG Advisory trading on margin the Client must authorize the use of margin by executing the margin document(s) required by their custodian.

Cash Balance: From time to time we may increase the cash balance in a portfolio due to market volatility or tactical portfolio decisions.

Option Transactions: We use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security and is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for the Client's portfolio. We use "covered calls", in which we sell an option on a security in the portfolio. In this strategy, the Client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the Client at an agreed- upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that the Client buys and a call option that the Client sells) for the same underlying security. This effectively puts the Client on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options. Prior to RFG Advisory implementing an option strategy the Client must authorize the use of option strategies by executing the option document(s) required by their custodian.

Third-Party Managers

For Information regarding methods of analysis and investment strategies used by third-party managers, please refer to the applicable manager's ADV Part 2 Disclosure Brochure which is available upon request.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market can increase, and Client account(s) could enjoy a gain, the stock market can also decrease, and

Client account(s) could suffer a loss. It is important that Clients understand the risks associated with investing in the stock market, are appropriately diversified in investments, and ask us any questions they may have.

ITEM 9. DISCIPLINARY INFORMATION

Neither RFG Advisory nor management persons have any disciplinary information or events to disclose.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Many of our Financial Advisors are also registered representatives with PCS, Member FINRA/SIPC. They offer securities and receive normal and customary commissions because of securities transactions. A conflict of interest exists because these commissionable securities sales may create an incentive to recommend products based on the compensation they earn and may not necessarily be in the best interests of the Client. Clients are not required to purchase any commissionable products from RFG Advisory's Financial Advisors. Because of this relationship, PCS has access to certain confidential information such as financial information, investment objectives, transactions, holdings and personally identifiable information such as date of birth, social security number, marital status, etc. about RFG Advisory's Clients, even if our Client does not establish an account through PCS. If a Client would like a copy of PCS's privacy policy, they should contact Private Client Services at info@pcsb.net or at 800-966-9347.

RFG Advisory offers many services through its network of Financial Advisors. Several of our Financial Advisors conduct advisory services under a trade name (i.e. "Doing Business As" or "DBA ") that is held out to the public for marketing purposes. Financial Advisors may recommend that Clients engage affiliates to provide advisory services and/or invest in advisory products managed by affiliates. Only products that are believed to meet a Client's investment objectives and risk tolerance are recommended.

Several of RFG Advisory's Financial Advisors are also licensed insurance agents. As such, they have an incentive to sell and recommend insurance products to Clients. When such recommendations or sales are made, a potential conflict of interest exists as our Financial Advisor earn insurance commissions for the sale of those products, which may create an incentive to recommend such products and may not be in the best interest of the Client. Clients are under no obligation to purchase insurance products from our Financial Advisors.

RFG Advisory may maintain tri-party relationships with financial institutions for Clients of those institutions to be introduced and advised by our firm through services provided by TD Ameritrade or Schwab. All three parties may share advisory fees or commissions as applicable. The financial institutions will not have any affiliation with our firm or our associated persons.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We recognize that the personal investment transactions of members and employees of RFG Advisory demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, we believe that if investment goals are similar for Clients and for members and employees of our firm, it is logical and even desirable that there

be common ownership of some securities. Therefore, to prevent conflicts of interest, we have in place a set of procedures to monitor transactions effected by our members, officers and employees for their personal accounts¹.

Furthermore, RFG Advisory has established a Code of Ethics which applies to all our associated persons. 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 and to act solely in the best interest of each of our Clients always. We have a fiduciary duty to all Clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all Clients. This disclosure is provided to give all Clients a summary of our Code of Ethics. However, if a Client or a potential Client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of RFG Advisory buy or sell securities for themselves at or about the same time they buy or sell the same securities for Client accounts. To minimize this conflict of interest, our related persons will place Client interests ahead of their own interests and adhere to RFG Advisory's Code of Ethics, a copy of which is available upon request.

Because RFG Advisory renders investment advice to employee benefit plans within the meaning of section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974 and section 4975(e)(3)(B) of the Internal Revenue Code, we must disclose that we act as a fiduciary. As such we must act "with the care, skill, prudence and diligence under the circumstance then prevailing that a prudent person acting in like capacity and familiar with such manners would use the conduct of an enterprise of a like character with like aims" (ERISA 404(a)(1)(B)). We further maintain the Impartial Conduct Standards which requires RFG Advisory and our advisors to give advice that is:

- in our Clients' best interest;
- charge no more than reasonable compensation; and
- make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions within the meaning of the Department of Labor Fiduciary Rule.

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our Client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

ITEM 12. BROKERAGE PRACTICES

RFG Advisory (“we/our”) does not maintain custody of Client assets on which we advise although we may be deemed to have custody of Client assets if Client has given us authority to withdraw assets from their account (see Item 15 *Custody*, below). Client assets must be maintained in an account at a “qualified custodian”, generally a broker-dealer or bank. We generally recommend that our Clients use TD (a FINRA registered broker-dealer, member SIPC) or Schwab (a FINRA registered broker-dealer, member SIPC), but outside investment platforms may use other custodians. We are independently owned and operated and not affiliated with TD or Schwab. These qualified custodians will hold Client assets in an advisory account and buy and sell securities when we instruct them to. While we recommend that Clients use one of these custodians, the Client will decide whether to establish an account with them by entering into an account agreement directly with TD Ameritrade or Schwab as the custodian of their assets. We seek to recommend a custodian/broker who will hold Client assets and execute transactions at our direction on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Willingness to commit capital
- Capability to execute, clear and settle trades (buy and sell securities for Client accounts)
- Availability of investment research and tools that assist us in making investment decisions
- Breadth of investment products made available (stocks, bonds, mutual funds, ETFs etc.)
- Quality of services
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Reputation, financial strength, and stability of the provider

With this in consideration, RFG Advisory has an arrangement with TD and Schwab whereby they offer, to independent registered investment advisors, services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD and Schwab and participate in their custodial programs.

Clients pay a transaction fee to TD or Schwab that is may be higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the transaction fee is reasonable in relation to the value of the brokerage and other 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 broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all Clients, we may not necessarily obtain the lowest possible transaction rates for specific Client account transactions.

RFG Advisory participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. TD Ameritrade is an independent

and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors, services which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.) There is no direct link between our participation in the program and the investment advice we provide to Clients, although we do receive economic benefits through our participation in the program that is typically not available to TD Ameritrade's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our 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 our advisory fees deducted directly from Client accounts; access to an electronic communications network for order entry and account information; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade may pay for business consulting and professional services received by RFG Advisory's related persons. TD Ameritrade may also pay for software systems to assist our firm in managing and administering Client accounts. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise.

The benefits received by our firm or its personnel through participation or its personnel through participation in this program are directly tied to the amount of Client assets we maintain with TD Ameritrade and thus creates an incentive for us to recommend their custodial services for Client assets. As part of our fiduciary duties to Clients, we endeavor always to put their best interest first, including to seek best execution of trades for Client accounts. Clients should be aware, however, that the receipt of economic benefits by RFG Advisory or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and execution services.

We also receive from TD Ameritrade certain additional economic benefits ("*Additional Services*") that may or may not be offered to any other independent Investment Advisors participating in the program. Specifically, the *Additional Services* include Orion Advisor Services, Bloomberg Finance, Money Guide Pro, Salesforce, LiquidHub and FastSlow Motion. TD Ameritrade provides the *Additional Services* to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the *Additional Services*. RFG Advisory and TD Ameritrade have entered into a separate agreement ("*Additional Services Addendum*") to govern the terms of the provisions of the *Additional Services*.

Our receipt of *Additional Services* raises potential conflicts of interest. In providing *Additional Services* to RFG Advisory, TD Ameritrade considers the amount and profitability to TD Ameritrade of the assets in, and placed for, Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the *Additional Services Addendum* with RFG Advisory, in its sole discretion, provided certain conditions are met.

Consequently, to continue to obtain *Additional Services* from TD Ameritrade, we have an incentive to recommend that Client assets under management with us be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. RFG Advisory's receipt of *Additional Services* does not diminish our duty to act in our Clients best interest, including to seek best execution

of trades for their account(s)

RFG Advisory participates in Schwab Advisor Services (formerly called Schwab Institutional) which is Schwab's business serving independent investment advisory firms like us. They provide us and our Clients with access to its institutional brokerage-trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Services that benefit Clients include access to a broad range of investment products, execution of securities transactions and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit the Client and their account.

Schwab generally does not charge Clients separately for custody services but is compensated by charging Clients commissions or other fees on trades that it executes or that settle into their Schwab advisory account(s). For some accounts Schwab may charge Clients a percentage of the dollar amount of the assets in the account in lieu of commissions (asset-based pricing). Schwab's commission rates and asset-based fees applicable to our Client accounts were negotiated based on our commitment to maintain \$150 million of our Client's assets statement equity in accounts at Schwab. This commitment benefits RFG Advisory's Clients because the overall fees they pay are lower than they would be if we had not made the commitment. In addition to the commissions/transactions fees or asset-based fees Schwab charges Clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited into their Schwab account. These fees are in addition to the commissions or other compensation Clients pay the executing broker-dealer. Because of this, to minimize Client's trading costs, we have Schwab execute most trades for Client accounts if they are the custodian of the Client assets.

Schwab also makes available to RFG Advisory other products and services that benefit us but not necessarily directly benefit the Client or their account. Some of those services help us manage or administer our Clients' accounts while others help us manage and grow our business. Schwab's support services are provided to us on an unsolicited basis. RFG Advisory must reach certain asset thresholds to receive, and at no charge to us if we maintain a specified number of Clients' assets at Schwab. If we have less than \$10 million in Client assets at Schwab RFG Advisory may be charged a quarterly service fee.

Schwab support services include reimbursement of Client account transfer fees up to a specified dollar amount. Access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit the Client and their account. We may use investment research, both Schwab's own and that of third parties to service all or some substantial number of our Clients' accounts, including accounts not maintained at Schwab.

Schwab makes available software and other technology that provides access to Client account data (such as duplicate trade confirmations and account statements); Facilitates trade execution and allocates aggregated trade orders for multiple Client accounts; Provides pricing and other market data; Facilitates payment of our fees from RFG Advisory Client accounts; and assist with back-office functions, recordkeeping and Client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include: educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business

succession; and access to employee benefits providers, human capital consultants and insurance providers.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We receive up to \$60,000 in covered service expenses based upon total Client assets custodied at Schwab with a minimum of \$65 million. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The minimum requirement may give us an incentive to recommend or require that Clients maintain their account with Schwab based on our interest in receiving Schwab's support services.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

For our Client accounts maintained at Schwab, Clients are generally not charged separately for custody services, but Schwab is compensated by charging Clients commissions or other fees on trades that it executes or that settle into their Schwab account. Schwab's commission rates and asset-based pricing fee applicable to Client accounts were negotiated based on our commitment to reach \$150 million of end client statement equity in Schwab Client accounts by December 2018. This commitment benefits the Client because the overall commission costs and/or asset-based pricing fee they pay are lower than they would be if we had not made the commitment. In addition to commissions or asset-based pricing fees Schwab charges Clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that they have executed by a different broker-dealer where the securities bought or the funds from the securities sold are deposited (settled) into the Client's Schwab account. These fees are in addition to the transaction fees or asset-based pricing the Client pays the executing broker-dealer. Because of this, to minimize the Client's trading costs, we have Schwab execute most trades for their account.

Clients should understand that not all investment advisers recommend that Clients custody their accounts and trade through specific broker-dealers.

Soft Dollars

RFG Advisory does not receive soft dollars more than what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all our Clients.

Brokerage for Client Referrals

RFG Advisory does not receive brokerage commissions for Client referrals.

Directed Brokerage

Neither we nor our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. RFG Advisory routinely

recommends that the Client direct us to execute through TD and Schwab.

Permissibility of Client-Directed Brokerage

We allow Clients to direct brokerage outside of our recommendation. However, we may be unable to achieve the most favorable execution of Client transactions. Client directed brokerage may cost Clients more money. For example, in a directed brokerage account, Clients may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or Clients may receive less favorable prices. Clients may also be unable to view their advisory account through “Fetch” our Client portal.

Aggregation of Purchase or Sale

We perform investment management services for various Clients. There are occasions on which portfolio transactions are executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by RFG Advisory, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

ITEM 13. REVIEW OF ACCOUNTS OR FINANCIAL PLANS

Advisors review accounts on at least an annual basis for our Clients subscribing to the following services: Comprehensive Portfolio Management, Portfolio Monitoring, and third-party money management services. The nature of these reviews is to learn whether Clients’ accounts are in line with their investment objectives and risk tolerance and are appropriately positioned based on market conditions and investment policies, if applicable. We provide written reports to Clients, upon request. Clients also have access to their advisory account(s) through our Client portal, “Fetch”. The custodians provide Clients with account statements on at least a quarterly basis. Statements are sent to the email or postal mailing address the Client has provided to the custodian. Clients should carefully review these statements promptly upon receipt. We also urge Clients to compare the statements received from the custodian with what they receive from us or see on the “Fetch” Client portal.

We may review Client accounts more frequently than described above. Among the factors which could trigger an off-cycle review are major market or economic events, the Client’s life events, requests by the Client, etc.

Financial planning Clients do not receive written or verbal updated reviews of their written financial plans unless they act to schedule a post-financial plan consultation with us. We are willing to meet with such Clients upon their request to discuss updates to their plans, changes in their circumstances, etc. We are also willing to connect their Financial Plan created in Money Guide Pro to their “Fetch” Client portal.

Retirement Plan Consulting Clients receive reviews of their retirement plans for the duration of the service. RFG Advisory will meet with Clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting Clients do not receive written or verbal

updated reports regarding their plans unless they choose to engage our firm for ongoing services.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

As described in **Item 12 – Brokerage Practices** above, we receive some benefits from TD and Schwab, our two primary custodians, through our participation in their custodial programs. The availability of these products and services is not based on our giving specific investment advice such as buying particular securities for our Clients.

We also receive from TD certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Orion Advisor Services, Bloomberg Finance, Money Guide Pro, Salesforce, LiquidHub and FastSlow Motion. TD Ameritrade provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. RFG Advisory and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provisions of the Additional Services.

In providing Additional Services to our firm, TD considers the amount and profitability to TD of the assets in, and placed for, Client accounts maintained with TD. TD has the right to terminate the Additional Services Addendum with RFG Advisory, in its sole discretion, provided certain conditions are met. Consequently, to continue to obtain Additional Services from TD, we have an incentive to recommend that Client assets under management with us be held in custody with TD and to place transactions for Client accounts with TD which is a conflict of interest. RFG Advisory’s receipt of Additional Services does not diminish our duty to act in our Client’s best interest, including to seek best execution of trades for their account(s).

We may also qualify for travel expense reimbursements when participating in TD’s Advisor Panel, an industry group organized by TD for the purpose of gathering information about the industry practices. Although receiving travel expense reimbursements is a potential conflict of interest, we feel that the firm’s time commitment to the panel more than offsets any benefits received.

Additionally, RFG Advisory receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their Clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab’s products and services to RFG Advisory is not based on our giving specific investment advice, such as buying particular securities for our Clients.

Our Clients may pay more for investment transactions effected and/or assets maintained at TD or Schwab as result of these arrangements. The benefits received by RFG Advisory or its personnel through participation in the TD or Schwab programs do not depend on the amount of brokerage transactions directed to these qualified custodians, or any other institution. As part of our fiduciary duties to our Clients, we endeavor always to put their best interest first, including to seek best execution of trades for Client accounts. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD or Schwab for custody and execution services.

Referral Fees

RFG Advisory pays a recruiting bonus to our firm's Financial Advisors who refer another Advisor to RFG Advisory. This arrangement creates a potential conflict of interest when there is a higher recruiting bonus paid if new Financial Advisor's Client assets are moved to the RFG Advisory Steadfast models. However, to the extent that Financial Advisors determine to recommend Clients use our firm's platform, it is because

they believe that it is in the Clients' best interests to do so based upon achieving the Client's investment objectives.

RFG Advisory pays referral fees to independent solicitors for the referral of Clients to our firm in accordance with applicable federal and state securities laws related to such arrangements. Although we pay each Solicitor a referral fee which represent a share of our investment advisory fee charged to our Clients, the referral fee paid does not result in higher costs to the referred Client. For these referral arrangements, our firm maintains written Solicitor Agreements with each Solicitor and we provide a written disclosure describing the terms and fee arrangements between our firm and Solicitor(s) to Clients who have been referred. In cases where state law requires licensure of solicitors, our firm requires the solicitor to be registered as an investment adviser representative of our firm.

RFG Advisory may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, RFG Advisory may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with RFG Advisory and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise RFG Advisory and has no responsibility for RFG Advisory's management of client portfolios or RFG Advisory's other advice or services.

RFG Advisory pays TD Ameritrade an on-going fee for each successful client referral. For referrals that occurred through AdvisorDirect on or after June 9, 2017 the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 25% of 1%, unless such client assets are subject to a Special Services Addendum. In the case of a Special Services Addendum, the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 10% of 1%. RFG Advisory will also pay TD Ameritrade the Solicitation Fee on any assets received by RFG Advisory from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired RFG Advisory on the recommendation of such referred client. RFG Advisory will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form. RFG Advisory's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, RFG Advisory may have an incentive to recommend to clients that the assets under management by RFG Advisory be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, RFG Advisory has agreed not to solicit clients referred to it through AdvisorDirect to transfer

their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. RFG Advisory's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

ITEM 15. CUSTODY

Under government regulations, we are deemed to have custody of Client assets if a Client authorizes us to instruct Schwab or TD to deduct our advisory fees directly from their account. Client funds and securities are held with one of these unaffiliated custodians, not with RFG Advisory. Clients will receive account statements directly from the custodian at least quarterly. Statements are sent to the email or postal mailing address the Client provided to the custodian. Clients should carefully review those statement promptly upon receipt. We also urge Clients to compare these account statements with the periodic reports received from their Financial Advisor or what they view through our Client portal, *Fetch*.

ITEM 16. INVESTMENT DISCRETION

The standard Client account agreement provides for Client accounts to be managed on a discretionary basis. We conduct at least one, but sometimes more than one meeting (in person, telephone or video conference, or via email) with Clients to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, the Financial Advisor will propose an investment approach to the Client and the Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio; if agreed upon by both the Client and the Financial Advisor the investment approach, guidelines and restrictions will form the investment objectives of the account. The Financial Advisor will independently manage the assets in the Client's account in accordance with the provisions of their RFG Advisory Discretionary Agreement and with a view to achieving the financial goals of the Client as set out in the investment objectives. The Advisor shall have complete discretion in managing the assets for the Client and all decisions shall be final and binding.

ITEM 17. VOTING CLIENT SECURITIES

We do not and will not accept the proxy authority to vote Client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to RFG Advisory, we will forward them to the Client and ask the party who sent them to mail them directly to the Client in the future.

ITEM 18. FINANCIAL INFORMATION

We are not required to provide financial information to our Clients because:

- The Firm does not require the prepayment of more than \$1,200 in fees and six or more months in advance for services not rendered within 6 months.
- The Firm does not take custody of Client funds or securities.
- The Firm does not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to Clients.

The Firm has never been the subject of a bankruptcy proceeding.