

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



Brokers International Financial Services, LLC

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

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

Additional information about Brokers Financial is available on the SEC's website at www.adviserinfo.sec.gov and on FINRA's website at www.finra.org/brokercheck. You can view our information on this website by searching for our name Brokers International Financial Services, LLC or our CRD # 139627.

Item 2 – Material Changes

This Item 2 of our Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure (hereinafter our “Wrap Brochure”) will provide a summary of material changes made to the Wrap Brochure from time to time. As required, should we make material changes to this Wrap Brochure we will, within 120 days of the end of our fiscal year, provide you with either: (i) a copy of the amended Form ADV, Part 2A Disclosure Brochure accompanied by a summary of material changes; or (ii) a summary of the material changes and an offer to provide a copy of the complete, current Form ADV, Part 2A upon your request. Certain material changes will be communicated sooner, as required.

We urge you to carefully review summaries of material changes, if any, as they will contain important information, which may impact the advisory relationship between you and Brokers Financial. These may include significant changes to our firm, advisory services, fee structure, business practices, conflicts of interest, and/or disciplinary history, among others.

Material Changes Since Last Update

The following material changes have been made to this Brochure since our last annual updating amendment. Please note, only material amendments made since our last annual amendment filing are summarized below.

- Item 4 was updated to remove the TD Ameritrade Unified Managed Account (UMAX) as a service offered under our Wrap Fee Programs. Item 4 has also been amended to disclose that Brokers Financial has added a new wrap fee program, the Wealth Solutions Program, as well as the fees charged for this Program. Item 4 has also been amended to disclose certain conflicts of interest that arise when selecting an account type or investment program to recommend to a client. Item 4 has also been amended to disclose that when transferring an account to be invested by Brokers Financial, existing holdings will typically be liquidated, which may result in tax consequences and transaction costs for the client.
- Item 4 has been amended to disclose that when Pershing is the custodian of a client's account, Brokers Financial will act as the introducing/executing broker for which it will receive compensation. Resulting conflicts of interest have also been disclosed. Item 4 has also been amended to disclose that Brokers Financial generally will require that clients direct the Firm to place trades in their account through the account custodian or, with respect to client accounts custodied with Pershing, through Brokers Financial as introducing broker. Resulting conflicts of interest have also been summarized. Item 4 was further amended to disclose that ticket charges have been negotiated with qualified custodians, which can give rise to a conflict of interest by creating incentive to recommend these qualified custodians in order to lower ticket charges, which Brokers Financial is responsible for in a wrap fee program, rather than in the client's best interest. Item 4 has also been amended to remove disclosure regarding an administration fee charged in relation to the Aspire and Retirement Ally Program accounts.
- Item 5 has also been amended to remove reference to the Schwab Separate Account Exchange and its use in connection with the Aspire Program.
- Item 5 has been amended to disclose the minimum account size required to open and maintain an account in the Wealth Solutions Program and the requirement that Wealth Solutions Program account be custodied with Pershing.
- Item 6 has been amended to disclose that Brokers Financial is portfolio manager to Wealth Solutions Program accounts and that there are no specific criteria for replacing the Firm as portfolio manager. Item 6 has also been amended to disclose the Firm's process for vetting its affiliated persons to act as portfolio managers to wrap program accounts and to remove disclosure regarding the Firm's process for conducting due diligence of third-party portfolio managers. Item 6 has further been amended to disclose the Firm's reliance on custodians for valuations of account holdings and that the Firm does not calculate or review performance information or engage a third party to review performance information or apply any particular industry standard when calculating performance. Item 6 has also been amended to disclose

certain risk factors relevant to investing and to specific investments that may be used in the management of client accounts.

- Item 7 has been amended to describe the information provided to Brokers Financial and its Advisors in connection with the Aspire, Retirement Ally, and Wealth Solutions Programs.
- Item 9 has been amended to discuss our affiliation with certain investment advisers, broker-dealers, and insurance agencies through our common, indirect ownership by Integrity Marketing Group, LLC as well as a sub-advisory agreement and service agreement entered into with one such affiliate. Item 9 has also been amended to disclose certain benefits received by Brokers Financial from custodians recommended to clients and resulting conflicts of interest, including incentives to increase the amount of client assets custodied with Pershing. Item 9 has also been amended to disclose certain conflicts of interest that arise in connection with the availability of no-transaction funds (NTF Funds) through approved custodians, and Brokers Financial's participation in the FUNDVEST® Program sponsored by Pershing. Item 9 was further amended to disclose that Brokers Financial receives compensation from a cash sweep program in client account custodied with Pershing, the resulting conflicts of interest, and how the Firm seeks to address these conflicts of interest.
- While not material, Brokers Financial made additional updates throughout its Brochure to enhance readability for clients.

Full Brochure Available

At any time, you can view the current Brochure online at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD No. 139627. To request a complete copy of our Brochure, contact us by telephone at (877) 886-1939 or by email to compliance@brokersfinancial.com.

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Item 4 – Services, Fees, and Compensation

Introduction

Brokers Financial is an SEC registered investment adviser and broker-dealer with its principal office located in Urbandale, Iowa. Brokers Financial started operations in 2006 and is an indirect, wholly owned subsidiary of Integrity Marketing Group, LLC (“Integrity Marketing Group”).

Brokers Financial offers wrap and non-wrap fee program portfolio management services, as well as financial planning, consulting, retirement plan consulting services, retirement plan participant consulting services and third-party manager referral services to individuals, and high net worth individuals, trusts, estates, or charitable organizations, corporations or other business entities (each referred to as a client or collectively as “clients”). This Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure summarizes the Firm’s wrap fee program offerings. The Firm’s other services, including our non-wrap portfolio management services, are summarized in its Form ADV, Part 2A, Disclosure Brochure. If you would like a copy of our Form ADV, Part 2A, Disclosure Brochure, please contact your Advisor or Brokers Financial at (877) 886-1939 or by email at compliance@brokersfinancial.com.

Our business model is based on a network of investment adviser representatives (Advisors) with offices located throughout the United States. Advisors generally operate their businesses as independent contractors of Brokers Financial rather than employees and are subject to our supervision and oversight.

Brokers Financial also offers the Wealth Solutions and Retirement Ally Wrap Fee Programs, described in this Brochure, pursuant to a sub-advisory agreement entered into with other investment advisers, including an affiliated investment adviser. If you are a client of an investment adviser that has engaged us as a sub-advisor, your investment adviser representative is not an Advisor of our firm, but will provide the same relationship management and related services described herein as being delivered by your “Advisor” with respect to these Programs. Clients should refer to the Form ADV, Part 2A, Disclosure Brochure, or similar disclosure document, of their primary investment adviser for information regarding such investment adviser’s services, fees, conflicts of interest and other information and to the Form ADV, Part 2B, Brochure Supplement(s) for their investment adviser representative for information regarding their representative’s background, experience, and other information.

Some of our Advisors are also broker-dealer registered representatives of Brokers Financial and are, therefore, licensed to sell securities products for which they will receive a commission or other compensation. To determine whether an advisory program or a brokerage account is appropriate for you, you should consider your account size, how often the account is traded, the types and quantities of securities purchased or sold, commission rates, and your tax situation. For example, an advisory account is often more cost effective than a commission-based brokerage account when trading activity is higher; however, the same advisory account is often more expensive than a commission-based brokerage account when trading activity is lower. You should have a conversation with your Advisor and read this Disclosure Brochure carefully when deciding if the advisory services available through us are right for your investment needs.

We have several Advisors who own their own legal business entities. When an Advisor owns their own business, there are different ways they can be compensated by us for providing advisory services, depending on the payment structure established by the Advisor. For example, they may receive compensation directly or through their business entities. These business names and logos may appear on marketing materials as approved by us, or client statements as approved by the custodian of your account assets. You should understand that these businesses are legal entities of those Advisors and not of Brokers Financial or the custodian. These legal business entities may provide services other than investment advisory services as disclosed in this Brochure. However, investment advisory services described in this Brochure are provided through Brokers Financial (that is, by your Advisor as a licensed representative of Brokers Financial).

Certain of our Advisors engage in business activities outside of our Firm that pose conflicts of interest when making recommendations to clients. Outside business activities are reviewed and disclosed by the Firm for each Advisor and can be found by visiting Investor.gov/CRS or by reviewing your Advisor’s Form ADV, Part 2B, Brochure Supplement. This Brochure Supplement provides information regarding your Advisor’s background, education and outside business activities, among other important information. If

you did not receive a copy of your Advisor's Brochure Supplement, please contact Brokers Financial at 877-886-1939 or at compliance@brokersfinancial.com. An overview of certain outside business activities engaged in by our Advisors is also provided in this Brochure at Item 9 – Additional Information.

Not all Advisors registered with our Firm are registered in a capacity to offer both broker-dealer and investment adviser services, thus the services they offer are limited to their registration. We encourage you to research your Advisor, their professional licenses, and firm affiliations at Investor.gov/CRS.

Client Onboarding:

Through personal discussions, questionnaires, and/or requests for documentation, Brokers Financial's Advisor will gather and analyze information regarding your current investments, goals and objectives, financial circumstances, investment experience, limitations, and risk tolerance, among other information. As appropriate, based on this analysis, your Advisor may recommend an investment program set forth below suited to your needs and objectives.

Participation in Wrap Fee Programs:

Brokers Financial offers services through both wrap-fee programs and non-wrap fee programs.

- A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. In other words, transactions in a client's wrap fee account are generally effected without separate trade execution costs to the client and a portion of the wrap fee is generally considered as being in lieu of such trade execution costs.
- In a non-wrap fee program, the advisory fee does not include trade execution costs or other service charges and these costs are incurred separately by the client.

When recommending an appropriate investment program for a client's needs, including whether to recommend a wrap or non-wrap fee program, your Advisor will generally consider, among other circumstances, the account size and advisory fees to be charged, the anticipated trading volume, the types and quantities of securities to be purchased or sold, and commission rates to be charged for transactions (should a non-wrap account be selected). In general, a wrap fee account is more cost effective for the client when trading activity is anticipated to be high, though a wrap fee account may be more expensive than a non-wrap fee account when trading activity is low.

Model Portfolios:

Retirement Ally and Wealth Solutions Program accounts, and in some cases, Aspire Program accounts, are managed in accordance with model portfolios. When utilizing models, investment selections are based on the underlying model and customized (or individualized) portfolio holdings are not developed. The determination to use a model or models is always based on each client's individual investment goals, objectives, and mandates. When recommending one of these programs, your Advisor will assist you in selecting a model portfolio.

In order to reasonably ensure that an initial portfolio selection continues to be appropriate and that the client's account is continually managed in a manner fitting their financial circumstances, the Advisor will contact the client at least annually, or as requested by the client, to review the client's account. Brokers Financial encourages clients to notify their Advisor promptly if they experience any material change in their financial circumstances or investment goals.

Tailored Advisory Services and Client-Imposed Restrictions:

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the opportunity to impose reasonable restrictions on the accounts we manage for you, including specific investment selections and sectors.

You are responsible for notifying us or your Advisor of any changes to your financial situation, your investment objectives, or if you want to add or change a reasonable restriction or limitation on your

account. We recommend you review this information on a quarterly basis. Your Advisor is required to contact you annually to review your account(s), your financial situation, and your investment objectives.

Clients will retain individual ownership of all securities held in their accounts.

Transferring Assets:

When transferring your account to be invested, generally, existing positions in the account will be liquidated, and the cash transferred to a qualified independent custodian. The liquidation of your account likely will have tax consequences, which you should discuss with your tax adviser. However, if there are certain securities you own that you do not want to liquidate, you must notify your Advisor in writing and they will be transferred in-kind for custody, but we will not advise on those positions. Any transaction costs incurred in the liquidation of your transferred assets are not included in the wrap fees described below and will be the responsibility of the client.

Services

Prior to providing any of the following investment advisory services, the client and Brokers Financial are required to enter into one or more written agreements setting forth the terms and conditions under which Brokers Financial renders its services.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for their accounts or for our own personal accounts that is different from the advice we provide to you or actions we take for you. We are not obligated to buy, sell, or recommend to you any security or other investment that we may buy, sell, or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by us among such accounts equitably and consistent with the best interests of all clients involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner.

If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose and will not disclose the information to any client or use it for any client's benefit.

Our wrap fee program services are provided through three internally managed platforms, our Aspire Program, Wealth Solutions Program, and Retirement Ally Program.

Brokers Financial Aspire Program

Brokers Financial is the sponsor of the Brokers Financial Aspire Wrap Program (the "Aspire Program"). Through the Aspire Program, clients receive ongoing investment advice regarding the investment of their account from their Advisor. The Advisor is responsible for selecting an investment strategy fitting the client's investment objectives and risk tolerance as well as the particular securities and the allocation among securities used within the selected strategy. Certain Advisors will develop models or strategies that are generally applied, as appropriate, in the management of their client accounts, while other Advisors will develop customized portfolios for each client to meet a client's specific investment goals and objectives.

Investment strategies, models, and philosophies used within the Aspire Program will vary based on the Advisor servicing your account. Models and strategies used by one Advisor are likely to be different than the models and strategies used by other Advisors. Some Advisors limit their advice to mutual funds and exchange traded funds (ETFs) and others will provide advice on a full range of securities including but not limited to: exchange-listed securities, securities traded over the counter, foreign issues, ETFs, warrants, corporate debt securities, commercial paper, certificates of deposit, mutual fund shares, municipal securities, United States government securities, and options contracts on securities. As a result of these varied approaches, the portfolios of clients enrolled in the Aspire Program with similar investment needs and profiles will not necessarily be similarly invested or experience the same performance.

The Aspire Program allows for both discretionary and non-discretionary trading authority. With discretionary trading, the Advisor has the authority to buy or sell securities without obtaining a client's approval prior to each transaction. With non-discretionary trading, the Advisor must obtain a client's approval before each transaction, which means that the client makes the ultimate decision regarding the purchase or sale of investments in their account. Clients grant the Advisor discretion when signing an Investment Management Agreement for the Aspire Program that includes a provision conferring discretionary authority. Brokers Financial requires the Advisor to meet certain qualifications, as established by the Firm, before they are permitted to exercise discretion over client accounts. Your Advisor is required to notify you if they will exercise discretion with respect to your account.

Clients may place reasonable restrictions on the types of investments that may be purchased in their Aspire Program account. Clients may also place reasonable limitations on the discretionary power granted to Advisors, so long as the restrictions and limitations are specifically set forth in writing or included as an attachment to the appropriate client Investment Management Agreement. Discretionary authority will remain in place unless revoked by you in writing or until you or we terminate the relationship.

Brokers Financial will manage only the securities, cash and other investments held within a client's account, and in making investment decisions for a client's account. Clients also should note, in providing advisory services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.). Furthermore, unless you indicate to the contrary, we will assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is your responsibility to promptly notify us if there are changes in your financial situation or investment objectives for the purpose of reviewing, evaluating, and/or revising our previous recommendations or services. Brokers Financial makes no guarantee, either oral or written, that a client's investment objectives will be achieved.

Retirement Ally Program

Brokers Financial provides portfolio management services using model asset allocation portfolios, or strategies, through the Retirement Ally Program. Clients engage Brokers Financial to manage their designated Retirement Ally Program account on a discretionary basis. Your Advisor may recommend the Retirement Ally Program and an appropriate model offered through the Program, based on an analysis of your investment goals and objective, financial circumstances, investment experience, among other information. Your Advisor has no trading authorization over your Retirement Ally Program account.

Upon the client's selection of a Retirement Ally model or strategy, Brokers Financial will invest and reinvest the assets of each account, based upon the strategy selected by the client in order to achieve the investment objective(s) identified by the client, without regard to holding period, or portfolio turnover. The client should understand that Brokers Financial may decide to reallocate a certain portion of the account to maintain trading flexibility and/or market exposure, or to enhance diversification.

Brokers Financial is responsible for trading accounts in the Retirement Ally Program in accordance with each portfolio's strategy and objectives. While clients may impose reasonable restrictions on the management of their Retirement Ally Program account, as a general practice, the Program does not allow for individually designed portfolios. Brokers Financial reviews accounts in the Retirement Ally Program, as necessary, to determine whether rebalancing is appropriate to conform to portfolio models' parameters.

You should notify your Advisor of any material changes to your investment goals or objectives to reasonably ensure that the initial portfolio selection continues to be appropriate, and that your account is continually managed in a manner fitting your financial circumstances and/or if you wish to impose or modify existing investment restrictions.

Wealth Solutions Program

Brokers Financial also offers portfolio management services using model asset allocation portfolios provided through the Wealth Solutions Program. Each Wealth Solutions Program portfolio is designed to meet a particular investment goal with allocations made among mutual funds, exchange traded funds

("ETFs"), and/or other investments accordingly. Wealth Solutions Program portfolios include model portfolios provided by BNY Mellon Advisors, Inc., an affiliate of Pershing LLC.

Wealth Solutions Program portfolios are managed by Brokers Financial, as discretionary manager, in accordance with each portfolio's strategy and objectives. As such, selecting the right model portfolio for a client's investment needs is paramount.

In order to reasonably ensure that the initial portfolio selection continues to be appropriate, and that the client's account is continually managed in a manner fitting their financial circumstances:

- The client's Advisor will communicate to Brokers Financial the model portfolio selected by the client, any reasonable restrictions imposed by the client on the management of their account, as well as any changes thereto, as communicated by the client to the Advisor from time-to-time; and
- Brokers Financial will provide written notification to Wealth Solutions Program clients on a quarterly basis, typically on account statements, requesting that the client notify us if there have been changes to their financial circumstances or investment objectives and/or whether the client wishes to impose or modify existing investment restrictions.

Brokers Financial monitors Program portfolios' performance on a quarterly basis and will rebalance portfolios as deemed appropriate based on each portfolio's investment objectives and changes in market conditions.

Currently, Wealth Solutions Program accounts must be custodied with Pershing. Brokers Financial receives certain benefits from Pershing that create conflicts of interest. Please see the discussion below regarding custodians we use and refer to *Item 9 – Additional Information* of this Wrap Brochure for more information about our relationship with Pershing.

The Custodians and Brokers We Use:

Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that clients establish accounts through the following custodians:

- Pershing LLC, a broker-dealer, member SIPC/FINRA ("Pershing");
- Charles Schwab & Co., Inc., a broker-dealer, member SIPC/FINRA ("Schwab");
- Nationwide, FINRA Member ("Nationwide");
- or others, as applicable.

To participate in the Aspire Program, clients are required to custody their assets with Schwab, Pershing, Nationwide, or another qualified custodian. To participate in the Retirement Ally Program, clients are required to custody their assets with Schwab. Nationwide will serve as custodian of a client's account established through a variable annuity product purchased through Nationwide. Currently, Wealth Solutions Program accounts must be custodied with Pershing. Brokers Financial is independently owned and operated and not affiliated with any of the qualified custodians.

Not all investment advisers restrict or limit the custodians/broker-dealers their clients can use. Some investment advisers permit their clients to select any custodian/broker-dealer of the client's own choosing. With respect to accounts custodied with Pershing, Brokers Financial will serve as the introducing/executing broker, for which it will receive compensation, directly or indirectly. The potential to receive additional compensation creates a conflict of interest when recommending a custodian for the client's account. Also, because Wealth Solutions Program accounts currently may only be custodied with Pershing, this conflict can provide incentive for Brokers Financial to promote the Wealth Solutions Program over other programs offered. We seek to mitigate this conflict of interest by disclosing it to you, by making some investment programs available through other custodians, and by adopting and enforcing written policies and procedures reasonably designed to ensure that recommendations are made solely in the best interests of clients after careful consideration of all relevant circumstances, including, among other things, client needs, preferences, and the anticipated total cost of the services to the client. These policies and procedures further require that Advisors monitor recommendations provided to clients in an ongoing relationship, including periodic evaluation of whether a client's account or program type continues to be in the client's best interest.

As disclosed at *Item 9 – Additional Information* of this Wrap Brochure, instructions have been provided requesting that Pershing rebate 12b-1 fees incurred by the Firm's clients holding mutual funds that charge 12b-1 fees. For client accounts custodied with Schwab, where Brokers Financial is not the introducing/executing broker, Schwab will generally retain any 12b-1 fees charged to Firm clients. These differing approaches will result in client accounts being more costly to maintain when holding mutual funds charging 12b-1 fees at Schwab versus Pershing. Clients should consider the differing treatment of 12b-1 fees by account custodians, including whether the client expects to hold mutual funds in their account, when selecting an investment program that is available from Brokers Financial only through certain custodians. Please refer to *Item 14 – Client Referrals and Other Compensation* for more information regarding 12b-1 fees.

When we execute a trade with a broker dealer other than your account custodian, or, in the case of Pershing, with Brokers Financial, which is then deposited (settled) into your custodial account, the custodian will typically charge you a flat dollar amount, or "trade away" (aka "step-out") fees, as a "prime broker." These fees are in addition to the commissions or other costs you pay to the executing broker-dealer, as applicable. Because of this, in order to minimize trading costs and take advantage of certain operational efficiencies, Brokers Financial generally requires that clients direct the use of the account custodian for the execution of trades placed in the client's account. (See "Directed Brokerage" sub-header below). However, adopting a practice of requiring clients to direct brokerage through a client's account custodian also gives rise to a conflict of interest with respect to client accounts custodied with Pershing for which Brokers Financial acts as introducing broker. This is because Brokers Financial will receive compensation, directly or indirectly, for effecting trades in client accounts custodied with Pershing rather than directing these trades to a third-party broker dealer, which would, instead, receive compensation for effecting these trades. We seek to mitigate this conflict by disclosing it to you, by offering several investment programs, including some that do not require that the client's account be custodied with Pershing, and by adopting and implementing written policies and procedures reasonably designed to ensure that recommendations are made solely in the client's best interests after careful consideration of all relevant circumstances, including, among other things, client needs, preferences and the anticipated total cost of the services to the client.

Directed Brokerage:

Brokers Financial generally requires that clients direct the Firm to place trades through the broker dealer custodizing the client's account, or, in the case of accounts custodied with Pershing, through Brokers Financial, in its capacity as introducing/executing broker dealer to Pershing.

As disclosed above, requiring that clients direct the use of Brokers Financial as executing broker for client accounts custodied with Pershing creates a conflict of interest because we will receive separate compensation, directly or indirectly, for acting as introducing broker to Pershing. The potential to receive additional compensation creates a conflict of interest when recommending a custodian for the client's account as disclosed above. Clients are not obligated to engage Brokers Financial to provide advisory services through an investment program requiring that the client's account be custodied with Pershing.

Brokers Financial has evaluated Pershing, whose services will be provided in combination with those of Brokers Financial, and Schwab, and believes that these entities will provide clients with a blend of execution services, custodial services, and professionalism that will assist Brokers Financial in meeting its fiduciary obligations to clients. We conduct periodic reviews of these entities and the services each provides to our clients, including a review of our own services as introducing broker in combination with the services provided by Pershing as custodian, and the relative costs of those services, to reasonably ensure that this continues to be true.

In directing the use of a particular broker it should be understood that Brokers Financial will abide by the client's direction and will not have authority to negotiate commissions among various broker-dealers on a trade-by-trade basis or to necessarily obtain volume discounts, and best execution may not be achieved. Clients should note, while Brokers Financial has a reasonable belief that Brokers Financial/Pershing and Schwab will be able to obtain quality execution and competitive prices, the Firm will not be independently seeking best execution capability through other broker dealers on a trade-by-trade basis.

In evaluating our arrangements with custodians, the client should consider that transactions in the client's account are generally effected without separate trading costs to the client, and a portion of the total wrap fee is considered to be in lieu of such transaction costs. Brokers Financial reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer other than the client's account custodian, or, in the case of client accounts custodied with Pershing, Brokers Financial.

Certain investment programs offered by Brokers Financial require that a client's program account be custodied with certain custodians, which materially limits the client's choice in selecting a directed broker. Not all investment advisers require clients to direct it use a particular broker dealer.

Ticket charges or other fees on trades have been negotiated with the qualified custodians based on our commitment to maintain a certain amount of assets in accounts at the qualified custodian. This commitment can give rise to a conflict of interest by creating incentive for Brokers Financial to recommend these custodians in order to reach these threshold levels and lower trading costs with respect to wrap fee programs, for which Brokers Financial or the Advisor is responsible. Brokers Financial seeks to mitigate this conflict of interest by disclosing it to you, and by adopting and implementing written policies and procedures reasonably designed to ensure that recommendations are made solely in the client's best interests, including account-type recommendations, and requiring that Advisors monitor recommendations provided to clients in an ongoing relationship.

Brokers Financial also receives certain benefits from both Pershing and Schwab in connection with Wrap Program accounts. You should refer to *Item 9 – Additional Information* below for details regarding these benefits, conflicts of interest that arise as a result, and how we seek to address these conflicts.

Approved custodians offer NTF (no-transaction fee) funds, which allows Brokers Financial and your Advisor to select funds that trade without a transaction fee. The availability of NTF funds creates a conflict of interest with respect to the wrap fee programs, in which Brokers Financial or the Advisor is responsible for transaction costs, because the more costs that can be avoided with respect to the wrap program account, the more of the wrap fee is retained. At the same time, NTF funds often have higher internal expense ratios than other share classes of the same or other similar funds that may be recommended for the client's account. This arrangement, the resulting conflicts and how we seek to address them is described further at *Item 9 – Additional Information* below.

Brokers Financial is a participant in Pershing's FUNDVEST® ticket charge program, which offers no-transaction fee ("NTF") mutual funds. Brokers Financial's participation in this Program gives rise to certain additional conflicts of interest when we recommend custodians and investments to clients that clients should carefully consider, including the ability to share in service fees paid by certain mutual funds to Pershing. Please refer to *Item 9 – Additional Information* for important additional information regarding our participation in this program and resulting conflicts of interest.

Also, unless directed otherwise by the client, the portion of each client account custodied with Pershing that is allocated to cash will be "swept" into FDIC-insured deposit accounts through a cash sweep program that pays to Brokers Financial a percentage of the net interest rate available based on the amount of client assets held in the cash sweep vehicle. At the same time, this arrangement will lower the interest you earn on cash balances held in your account custodied with Pershing. This arrangement creates conflicts of interest as described further at *Item 9 – Additional Information* below.

Similar advisory services may be available from other registered investment advisers for lower fees.

Fees and Compensation

Generally, a wrap program provides a client with investment advisory and brokerage execution services for a single fee or fees based on the value of cash and investments in the account; however, additional fees may apply. The client's written Investment Management Agreement with Brokers Financial provides the specific manner in which fees are charged by Brokers Financial.

Clients may negotiate the Advisor fee portion of the total wrap fee for all Programs with their Advisor. Clients may not negotiate any other fee within the Programs. The client should understand that unless a lower rate has been negotiated, they should expect that Brokers Financial will charge fees based upon the applicable standard fee schedule detailed below for each account platform. Brokers Financial reserves the right to discount the Aspire program fee and/or the Retirement Ally Program management

fee. All other Financial Institution fees, and other costs not included in the wrap fee are fixed and cannot be negotiated with the client by the Advisor or Brokers Financial.

We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we have an incentive to limit our trading in your account(s) because we are responsible for trading costs in wrap fee programs we sponsor.

Aspire and Retirement Ally Programs

The total wrap fee for the Aspire Program includes a Program fee and an Advisor fee, while the Retirement Ally Program includes a Management fee, which varies by strategy selected, and an Advisor fee, as set forth below.

	Aspire Program	Retirement Ally Program
Maximum annual total advisory fee:	2.20%	2.60%
Maximum annual advisor fee:	2.00%	2.00%
Maximum annual program fee:	.20%	N/A
Maximum annual management fee:	N/A	See schedule below

Retirement Ally management fees by strategy:

Strategic Plus		Core Allocation	
Account Value	Management Fee ¹	Account Value	Management Fee ¹
> \$25,000 - \$250,000	0.60%	> \$25,000 - \$250,000	0.40%
> \$250,000 - \$500,000	0.55%	> \$250,000 - \$500,000	0.35%
> \$500,000 - \$1 Million	0.50%	> \$500,000 - \$1 Million	0.30%
> \$1 Million - \$2 Million	0.40%	> \$1 Million	0.25%
> \$2 Million	0.30%		

Core Lite Allocation	
Account Value	Management Fee ¹
> \$5,000 or more	0.40%

¹ The Management Fee may increase if the Account Value decreases (e.g., an initial investment of \$1.1 million in the Dividend Income portfolio has a Management Fee charge of 0.50%. If \$300,000 is withdrawn, the Management Fee adjusts to 0.55%).

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

The portion of the total fee attributable to the Aspire Program Fee is not negotiable to the client, however, based on the Advisor's total assets under management with Brokers Financial, the Advisor may be able to negotiate with Brokers Financial for a lower Program Fee. The Advisor can also negotiate with Brokers Financial to receive a portion of the Program Fee, thereby increasing their overall compensation.

Fees will be directly debited from the client's account, as authorized by the client. Fees may be billed quarterly in arrears, or monthly in advance, as agreed with the client, based on the value of the client's account at the end of the quarter or month, as applicable. Brokers Financial will pro rate its fees for accounts opened mid billing period. Clients are encouraged to review the fee schedule and applicable

terms with their Advisor, including, but not limited to, the fee calculation methodology and any pro ration practices.

Nationwide

Clients who purchase a no-load variable annuity from Nationwide may have their Advisor manage the investment sub accounts of the variable annuity through the Aspire Program.

When a Nationwide variable annuity is utilized with the Aspire Program, the maximum annual Advisor fee and the maximum annual service fee mirrors the fees listed above for the Aspire Program. Nationwide applies additional fees for their services. Clients should refer to the applicable variable annuity prospectus for additional information.

Nationwide completes the performance reporting, billing, and collection of fees and remits the fees attributed to investment management services to Brokers Financial. Nationwide typically charges fees quarterly, in advance. Brokers Financial does not take custody of client assets for this platform, the assets are held directly at Nationwide.

Wealth Solutions Program

Wealth Solutions Program total account fees include both a Platform fee, and the Advisor fee negotiated between the client and their Advisor. Advisors may negotiate their fee with clients based on each client's individual financial situation, complexity, and assets under management, among other considerations.

The Platform fee is based on assets under management in the Program account as set forth below:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
Under \$500,000	0.35%
\$500,000 - \$1 million	0.30%
Over \$1 million	0.27%

The maximum Advisor fee is 2.00% of the client's Wealth Solutions Program account assets under management. The specific fee charged to each client will be outlined in, or attached to, the Investment Management Agreement entered into with the client.

Wealth Solutions Program account fees are charged quarterly, in advance, based on the value of the client's account(s) at the end of the calendar quarter. Brokers Financial will pro rate its fees for accounts opened mid quarter, which will be assessed at the end of the month in which the account was opened. For example, if an account is opened on January 15, Brokers Financial will charge its fee on February 1 for the remaining days in January, as well as for February and March. In addition, each quarter's fee going forward will be adjusted for material deposits or withdrawals (\$5,000 or more) made to/from the account during the quarter to "true-up" the advance fee collected.

There is a minimum account size of \$25,000 required to participate in the Wealth Solutions Program. Certain investment products held within model portfolios will also require minimum investments. Brokers Financial will group certain related client accounts for purposes of meeting fee breakpoints in the Platform fee (known as "householding"). Only related accounts invested through the Wealth Solutions Program will be grouped together for purposes of meeting breakpoints within the Platform fee.

We will deduct the Advisor fee and Platform fee directly from your account after you have given us written authorization to do so, typically through the Investment Management Agreement. Additionally, the qualified custodian is required to deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account including our fees. You should carefully review all statements for accuracy.

For our services, Brokers Financial retains the portion of the Platform fee not paid to Pershing. The Platform fee incorporates an annual asset-based brokerage fee paid to Pershing. The asset based brokerage fee is tiered based on the amount of client assets Brokers Financial has invested through the Program and decreases as the amount of assets invested through the Program increases. This gives rise to a conflict of interest as it creates incentive for us to promote the Wealth Solutions Program over other

investment programs, and to recommend that you increase the amount of assets held in your Wealth Solutions Program account(s).

In addition to the asset based brokerage fee paid to Pershing, Pershing is paid an additional percentage of the Platform fee in connection with any client assets invested in the Wealth Solutions Program outside of the funds made available through Pershing's FUNDVEST® Program. As Brokers Financial retains the portion of the Platform fee not paid to Pershing, this creates a conflict of interest as the Firm stands to retain a greater portion of the Platform fee by recommending FUNDVEST® Program funds over other mutual funds or ETFs that may be appropriate for the client's Wealth Solutions Program account based on our own pecuniary interests rather than the best interests of the client. Clients should refer to important additional disclosure regarding our participation in the FUNDVEST® Program sponsored by Pershing at *Item 9 – Additional Information* of this Wrap Brochure.

Brokers Financial seeks to address these conflicts of interest by making a number of investment programs available to clients, including wrap programs available through custodians other than Pershing, and by adopting policies reasonably designed to ensure that Advisors make recommendations to clients based on their best interests.

Comparative Costs of Programs

The Programs described in this Wrap Brochure may cost the client more or less than purchasing such advisory and execution services separately. Factors the client should consider for comparison purposes include the size of the portfolio, the nature of the investments to be managed, the anticipated level of trading activity, commission costs, custodial expenses, if any, and the amount of advisory fees charged solely for managing the client's portfolio. In addition, the wrap fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

Advisor Compensation

As disclosed in this section, Brokers Financial receives compensation because of a client's participation in the Programs. Brokers Financial therefore has a financial incentive to recommend the Programs over other programs or services for which it does not receive compensation or for which it receives less compensation. The amount of Brokers Financial's compensation may be more than what it would be if the client participated in programs sponsored by other financial firms or if the client paid separately for investment advice, brokerage, and other services. In addition, as disclosed above, your Advisor receives a portion of the total wrap fee charged for your participation in the Programs. However, the Advisor's portion is negotiated between the Advisor and the client and is capped at 2.00%. The Advisor does not receive increased compensation by recommending one Brokers Financial investment program over another, though, the Advisor may have increased opportunity to negotiate an Advisor fee closer to the maximum when recommending a program charging a lower Program Fee than another.

We, and your Advisor, have an incentive to encourage you to increase the assets in your account as you pay the wrap fee even if no trading activity occurs in your advisory account. We have a financial incentive to offer or recommend investments in programs sponsored and managed by our Firm as we earn additional revenue for providing those services. Our financial professionals may receive additional compensation if you invest in our Programs over other investment programs.

Other Financial Institution Fees

Clients may also incur certain charges imposed by third parties in connection with investments made through the Programs, including but not limited to, annual account maintenance fees, mutual fund short-term redemption fees, surrender charges, paper statement delivery fees, trading away transactions fee and IRA and qualified retirement plan fees charged by the custodian, a product sponsor or other third party. Program fees charged by Brokers Financial are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. Investments selected for your account impose additional fees such as internal fund expenses for mutual funds and exchange traded funds. Some investments also impose fees to sell the investment, typically called a deferred sales charge. A description of these fees and expenses are available in each investment company security's prospectus.

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

Specialization

Advisors may focus on specific or certain types of advisory services over other types of advisory services.

Advice on Certain Types of Investments

Advisors can only provide investment advice on investments available through the Firm. Any deviation by an Advisor from securities available through the Firm may constitute a violation of Firm policies.

Termination of Services

Program services may be canceled at any time, by any of the parties, for any reason upon receipt of 30 days' written notice to the other party. Clients will receive a pro-rated refund of any fees paid in advance but not fully earned by Brokers Financial and the Advisor. The refund is based on the number of days remaining in the quarter or month after notice of termination is received and must be at least \$75. For accounts not billed in advanced, clients will be billed a final fee that is pro-rated based on the number of days services were provided during the quarter or month before termination, as applicable, and depending on when written notification of termination was received and when it is effective.

Item 5 – Account Requirements and Types of Clients

Account Minimums

There is no minimum to participate in the Aspire Program. To participate in the Retirement Ally Program, the minimum initial investment varies by strategy. Brokers Financial requires a minimum account size of \$25,000 to open and maintain a Wealth Solutions Program account. Brokers Financial reserves the right to close a client account if its balance falls below a certain level. Brokers Financial also reserves the right to terminate its services if it believes the rendering of its investment advisory services is no longer appropriate for a client.

Opening an Account

As disclosed at Item 4, to participate in the Aspire Program, clients are required to custody their assets with and place trades through Schwab, Pershing, or Nationwide. To participate in the Retirement Ally Program, clients are required to custody their assets with and place trades Schwab. Wealth Solutions Program accounts must be custodied with Pershing.

Types of Clients

We offer advisory services to individuals; high-net worth individuals; trusts, estates, or charitable organizations; corporations or business entities.

Item 6 – Portfolio Manager Selection and Evaluation

In the Aspire Program, the Advisor is responsible for the overall investment advice and management services offered to clients. In the Retirement Ally Program, Brokers Financial acts as the portfolio manager and is responsible for selecting the securities within a portfolio model. In the Wealth Solutions Program, Brokers Financial also acts as portfolio manager and discretionary adviser with respect to client program accounts.

There is no independent selection or review process upon which Advisors are recommended or chosen for particular clients or for recommending replacement portfolio managers for client accounts. If an Advisor leaves the Firm, Brokers Financial will typically reassign the client's account to another Advisor deemed suitable and appropriate. Whenever possible, the Firm will seek to reassign a client's account to an Advisor within the same office of the previous Advisor or within the same geographical

area. For additional information regarding your Advisor, including their background, education, business experience, and other information, please review their Form ADV, Part 2B, Brochure Supplement. If you did not receive a copy of your representative's Form ADV, Part 2B, Brochure Supplement, please contact your representative or Brokers Financial at (877) 886-1939 or by email at compliance@brokersfinancial.com.

Advisors are subject to our onboarding process, which includes, among other things, as applicable: a background screening; initial training regarding the Firm's compliance policies and Code of Ethics; initial review of the CRD/IARD system filings for the Advisor (which includes, among other information, details regarding the Advisor's industry experience); acquiring self-attestation regarding disciplinary histories and/or events and recent bankruptcies; and gathering and review of information regarding all outside business activities, education, business experience, portfolio management history, reportable securities holdings as required under our Code of Ethics, political contributions, and compliance policies and procedures attestations.

With respect to the Retirement Ally Program, Brokers Financial serves as sole portfolio manager and the Brokers Financial Investment Committee ("BFIC") makes all investment decisions with respect to Retirement Ally Program portfolios. As such, because the Program has only one portfolio manager, a recommendation of the Retirement Ally Program by your Advisor is a recommendation that Brokers Financial serve as portfolio manager to your account. Through the Investment Management Agreement for the Retirement Ally Program, you authorize Brokers Financial to manage your Program account on a discretionary basis.

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

With respect to the Wealth Solutions Program, Brokers Financial also serves as sole portfolio manager and the BFIC makes all investment decisions with respect to Wealth Solutions Program portfolios, which are based on model portfolios provided by BNY Mellon Advisors, Inc., an affiliate of Pershing. As such, because the Program has only one portfolio manager, a recommendation of the Wealth Solutions Program by your Advisor is a recommendation that Brokers Financial serve as portfolio manager to your account. Through the Investment Management Agreement for the Wealth Solutions Program, you authorize Brokers Financial to manage your Program account on a discretionary basis.

The Retirement Ally or Wealth Solutions Program may be recommended to clients by their Advisor after careful consideration of their current investments, goals and objectives, financial circumstances, investment experience, limitations, and risk tolerance, among other information.

As sponsor and sole portfolio manager of the Retirement Ally and Wealth Solutions Programs, there are no specific criteria for replacing the Firm as portfolio manager for the Program or for any particular client.

As disclosed at Item 4 of this Wrap Brochure, additional advisory services offered by Brokers Financial include portfolio management through an Advisor-managed non-wrap fee program (the "Edge Program"), as well as financial planning, consulting, retirement plan consulting, retirement plan participant consulting services, and third-party manager referral services. For additional information regarding our non-wrap program, and other advisory services, please refer to our Form ADV, Part 2A, Disclosure Brochure, and, as applicable.

Aspire and Edge Program client accounts are both Advisor-managed. Aspire Program client accounts are managed in a manner substantially similar to Edge Program client accounts, however, with respect to Edge Program accounts, the Advisor may recommend one or more sub-advisers. Unlike in the Aspire and Edge Programs, Retirement Ally and Wealth Solutions Program portfolios are managed by Brokers

Financial and investment decisions are made by the BFIC rather than by your Advisor. Your Advisor has no trading authorization over your Retirement Ally or Wealth Solutions Program account.

As disclosed above, clients may impose reasonable restrictions on the management of their accounts. All restrictions or requests to change investment strategies must be submitted in writing to your investment adviser representative. Brokers Financial does not primarily recommend particular types of securities, however, some Advisors limit their strategies/models/philosophies to mutual funds and exchange traded funds ("ETFs"), while others provide a broad range of securities including but not limited to: stocks, bonds, treasuries, ETFs, certificates of deposit, mutual fund shares, municipal securities, and options contracts on securities.

Brokers Financial receives a portion of the wrap fee charged to clients.

Portfolio Performance Information

Brokers Financial has adopted a policy and procedures reasonably designed to ensure that account reporting of client portfolios and investments, including performance reporting, in Programs for which it or its Advisor serves as portfolio manager, reflect current, fair and accurate market valuations. In general, we rely on the qualified custodian holding client assets for timely valuation information of advisory client securities. Whenever valuation information for illiquid, foreign, private or other investments is not available through pricing services or custodians, Brokers Financial will obtain and document price information from at least one independent source, whether a broker-dealer, bank, pricing service or other reputable source. We also require periodic, random, internal reviews of account reports to identify any incorrect, stale, or mispriced securities.

Although we consistently apply our methodology, we do not independently calculate portfolio performance, review, or verify performance information of Program accounts, nor do we engage a third party to conduct reviews of performance information, or seek to comply with any particular industry standard in calculating portfolio performance.

Performance-Based Fees and Side-By-Side Management

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

Methods of Analysis, Investment Strategies and Risk of Loss

A. Method of Analysis

Brokers Financial offers the same suite of services to all its clients; however, each Advisor manages accounts independently, and is not under any obligation or requirement to buy or sell the same investments for accounts, even when an investment strategy may be similar. Investment adviser representatives provide personalized and individualized investment advice and can employ a variety of account types and strategies based on a client's investment objectives, risk tolerance, and specific circumstances.

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

Fundamental – A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental

analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

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

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

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

B. Investment Styles and Strategies

Brokers Financial and its Advisors utilize several strategies when managing client accounts. Below are listed some of the investment strategies that may be used:

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

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

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

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

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

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

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

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

C. Risk of Loss

Clients must be aware that investing in securities involves risk of loss, including the loss of principal.

Every method of analysis has its own inherent risks. To perform an accurate market analysis Brokers Financial must have access to current/new market information. We have no control over the dissemination rate of market information; therefore, unbeknownst to us, certain analyses may be compiled with outdated market information, severely limiting the value of our analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Brokers Financial or the sub-adviser) will be profitable or equal any specific performance level(s). Brokers Financial does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding Brokers Financial and, if applicable, the sub-adviser’s, method of analysis or investment strategy, the assets within the client’s portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client’s assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters. Other investment risks include:

- **Interest-Rate Risk** – Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk** – The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk** – When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Prepayment Risk** – The returns on the collateral for a deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **Reinvestment Risk** – This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk** – This risk is associated with a particular industry or a particular company within an industry.
- **Liquidity Risk** – Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk Factors relevant to specific securities utilized include:

- **Money Market Instruments** – Money market instruments are generally considered low risk but are not guaranteed by the FDIC and may be subject to loss and/or change in market value. Money market instruments may temporarily suspend an investor's ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. Brokers Financial considers cash and cash equivalents a billable asset class and charges an asset-based fee on these positions. Depending on interest rates, investments in money market instruments may be lower than the aggregate fees and expenses charged resulting in a client experiencing a negative overall return.
- **Equity Securities** – The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- **Exchange Traded Funds ("ETF")** – ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.
- **Mutual Fund Shares** – Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as, if applicable, sales loads), (ii) as applicable, investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Index Fund Shares** – Index Funds are a type of mutual fund or ETF that seeks to track the returns of a market by index. A market index measures the performance of a mixture of securities representative of a sector of a stock market or of an economy. Index Funds generally follow a passive, rather than active, investment strategy, aiming to maximize returns over a period of time. However, some risks associated with Index Funds include: (i) lack of flexibility to react to price fluctuation in the securities within the index compared to a non-index fund; (ii) tracking error when

the index fund does not perfectly track its index; and (iii) underperformance of the index due to the fees, expenses, trading costs, and tracking error associated with the index fund.

- **Municipal Bond Risk** – Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the client's assets or profits.
- **Fixed Income Securities Risk** – Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- **Interval Mutual Funds** – While interval mutual funds may provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, there is no guarantee that clients will be able to sell all of their shares in any specific repurchase offer. Also, the offer to repurchase shares may be suspended or postponed by the investment sponsor. An investment in an interval fund involves a considerable amount of risk and it is possible to lose the total investment amount. An investment in a closed-ended interval mutual fund is suitable only for investors who can bear the risks associated with the limited liquidity of the shares and should be viewed as a long-term investment.
- **Complex Product Risk** – Complex products can include liquid alternative mutual funds, leveraged and inverse exchange traded ETFs and leveraged and inverse exchange traded notes ("leveraged ETPs"). Leveraged ETPs have the potential for significant loss of principal and are not appropriate for all investors. Investment techniques commonly utilized include futures, forward contracts, swap agreements, and derivatives that can increase volatility and carry a high risk of substantial loss. Leveraged ETP performance can differ significantly from the performance of the underlying benchmark when held over time. The effects of compounding, aggressive techniques, and correlation errors may cause leveraged ETPs to experience greater losses in volatile markets. Leveraged ETPs may experience losses even in situations where the underlying benchmark has performed as expected. These products typically carry higher internal fees and expenses than more traditional funds due to their active management. Higher fees and expenses will also negatively impact performance.
- **Alternative Investment Risk** – Alternative investments including hedge funds, private equity, private credit, managed futures products, and non-exchange traded real estate investment trusts ("REITs") present special risks, such as limited liquidity and transparency. Alternative investments, such as hedge funds, often utilize complex trading strategies with the use of derivatives, commodities, and/or leverage which may amplify volatility in certain markets. Real estate-related investments will be subject to risks generally related to leverage and real estate market risk, including risks specific to geographic areas in which the underlying investments were made. Certain alternative investments may be less tax efficient than others. Each alternative investment is typically subject to internal fees, including management and/or performance fees, which affect the product's net asset value and reduced investment returns.

- **Environmental, Social and Governance (“ESG”) Risk** – Pursuing an ESG investment strategy limits the eligible universe of securities that are otherwise available to other non-ESG related investment strategies. Currently there is no standard regulatory ESG comparison mechanism so it is possible that ESG rankings offered by various firms may differ significantly from one to another. Securities that are considered attractive based on certain ESG factors may weight environmental, social, and governance factors differently resulting in security or sector concentrations. ESG investing typically fails to consider other important investment concepts such as industry competitiveness, growth potential, financial conditions, or stock valuations. ESG strategies may perform differently than other strategies without ESG parameters given their dual mandate of delivering performance and compliance with stated ESG parameters.

Other risk factors include:

- **Business Resilience Risk** – Crisis situations such as electrical power outage, fire, bomb threat, pandemics, and inclement weather can disrupt business operations and adversely impact Brokers Financial, its key service providers and its clients. There may be a negative impact on investors if these events adversely impact the operations and effectiveness of Brokers Financial or key service providers or if these events disrupt systems and processes necessary or beneficial to the management of accounts. Brokers Financial has implemented a Business Continuity Plan (“BCP”) that provides a framework for how Brokers Financial prepares and responds to events that pose a threat to the safety of its employees, facilities, systems, and processes essential for the continuity of business.
- **Cybersecurity Risk** – The digital and network technologies used by Brokers Financial to conduct its business could be subject to possible incidents that could result in the inadvertent disclosure of confidential or sensitive data about Brokers Financial or its clients to unauthorized parties. Furthermore, due to Brokers Financial interconnectivity with third party vendors, service providers, and other financial institutions, Brokers Financial and its clients could be adversely impacted if any of them were subject to a cybersecurity event. Brokers Financial has implemented policies and procedures to safeguard the confidentiality, integrity and availability of its internal data.
- **Model Risk** – Certain products and investment strategies rely on signals and data from various analytical models or software, which sometimes will be proprietary or from third parties. These models and software can be adversely impacted by human or systems errors in mathematical foundations of the models, programming, quality of data and other factors.
- **Technology Risk** – Software and hardware malfunctions or problems can impact certain investment strategies and products.
- **Timing of Implementation Risk** – Brokers Financial can give no assurance as to the timing of the investment of client accounts or funds generally and/or any changes to client accounts or funds over time, including with respect to asset allocation and investment, the performance or profitability of the client account, not any guarantee that any investment objectives, expectations, or targets will be achieved, including, without limitation, any risk control, risk management or return objectives, expectations or targets.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although our methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence, clients may suffer loss of all or part of the client's principal investment.

Voting Client Securities

Brokers Financial will not vote proxies on behalf of your account. Therefore, it is your responsibility to vote all proxies for securities held in your accounts managed by our Firm

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

Item 7 – Client Information Provided to Portfolio Managers

Advisors are responsible for developing an initial financial profile for each client and assisting the client in determining an appropriate investment program and portfolio fitting their needs. With respect to Aspire Program accounts, for which your Advisor serves as portfolio manager, you will communicate information directly to your Advisor.

With respect to the Retirement Ally and Wealth Solutions Programs, for which Brokers Financial serves as portfolio manager, your Advisor will communicate information regarding the Program, investment strategy and/or model portfolio selected for your account as well as any reasonable restrictions you have imposed on the management of your account, and any other information reasonably necessary to ensure that the Firm provides portfolio management services in accordance with your investment objectives, needs and risk tolerance. Updates to such information, as provided by you to your Advisor, from time to time, will also be timely communicated to Brokers Financial.

Item 8 – Client Contact with Portfolio Managers

Clients generally will contact their Advisors to obtain account information, ask questions about their accounts, or provide updates to their personal information. Brokers Financial does not impose restrictions on a client's ability to contact and consult with their Advisor.

Item 9 – Additional Information

Disciplinary Information

May 5, 2023 – Regulatory Action Initiated by the Financial Industry Regulatory Authority

On May 5, 2023, Brokers Financial submitted an AWC to FINRA for the purpose of settling alleged rule violations. Brokers Financial entered into the AWC without admitting or denying the findings and was censured and fined \$30,000 for failing to establish, maintain, and enforce a supervisory system, including written procedures, reasonably designed to supervise the outside brokerage accounts disclosed by its registered representatives.

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

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

Other Financial Industry Activities and Affiliations

Neither Brokers Financial nor any of its management persons are registered, or have an application pending to register, as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trader.

Brokerage and Insurance Practices – As previously stated in this document, Brokers Financial is dually registered as both a broker-dealer and investment adviser. Our firm's principal business is that of a securities broker-dealer and certain of our management persons and many of our Advisors are separately licensed as registered representatives under our brokerage registration. Through its registered representatives, Brokers Financial transacts business in a variety of securities products, primarily in the sales of equities, bonds, mutual funds, and variable products. Most of these products generate compensation in the form of commissions to both the representative and to Brokers Financial. Brokers Financial spends more than 60% of its time on securities brokerage business.

In addition to being a dually registered broker-dealer and investment adviser, Brokers Financial is licensed as an insurance agency. Advisors of Brokers Financial will normally have a contract relationship with Brokers Financial as insurance agency and will solicit Clients to purchase insurance products.

In their separate capacities as registered representatives and insurance agents, these individuals will be able to purchase securities and insurance or insurance-related investment products for Brokers

Financial's advisory clients, for which they will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase or sale of securities or insurance or insurance-related products. Products sold by Advisors in their capacity as insurance agents or brokers will generally involve first year commissions significantly higher than those of adviser program fees. While these individuals endeavor at all times to put the interest of the clients first pursuant to Brokers Financial's fiduciary duty, clients should be aware that the potential to receive additional compensation itself creates a conflict of interest that may unknowingly affect the judgment of these individuals when making recommendations.

Financial Services Industry Affiliations – As disclosed at Item 4 of this Brochure, Brokers Financial is a wholly owned, indirect subsidiary of Integrity Marketing Group, LLC ("Integrity Marketing Group"), a national insurance technology firm. As a subsidiary of Integrity Marketing Group, Brokers Financial is under common ownership and control with several financial institutions (referred to collectively as the "Related Companies"), including:

- SEC registered investment advisers;
- FINRA member broker-dealers, and;
- Licensed insurance agencies.

As a result of its acquisition by Integrity Marketing Group, Brokers Financial is now an affiliate of its former owner, Brokers International, LTD. ("BI"). BI is an insurance agency that wholesales disability insurance, long-term care, life insurance and annuities to third-party insurance agents. BI is not registered as an investment advisor or securities broker-dealer. Brokers Financial Advisors may also be employees of BI and/or may be licensed as insurance agents.

Material Arrangements with Related Company – Brokers Financial has entered into a sub-advisory agreement and a servicing agreement with Integrity Advisory Solutions, LLC, an SEC registered investment adviser and Related Company ("Integrity Advisory Solutions").

- **Sub-advisory Agreement** – Pursuant to a sub-advisory agreement, Brokers Financial makes the Retirement Ally and Wealth Solutions Program model portfolios available to Integrity Advisory Solutions clients. Under this arrangement, Integrity Advisory Solutions investment adviser representatives maintain client relationships, gather information regarding client investment goals and objectives through personal discussions, assist clients in selecting an appropriate Program portfolio fitting their financial needs and circumstances, and determine whether clients would like to impose reasonable restrictions on investment of their accounts.

For its services as sub-adviser, Brokers Financial receives a portion of the total advisory fee charged to Integrity Advisory Solutions' clients enrolled in the Retirement Ally or Wealth Solutions Program. Integrity Advisory Solutions' clients should refer to Integrity Advisory Solutions' Form ADV, Part 2A Disclosure Brochure for details regarding its services under this arrangement, and the total associated fees.

- **Servicing Agreement** – Pursuant to a servicing agreement between Brokers Financial and Integrity Advisory Solutions, Integrity Advisory Solutions will also compensate Brokers Financial to provide certain back-office, administrative, compliance and operations support functions.

Attorneys – Certain Advisors of Brokers Financial are separately licensed as attorneys admitted to the bar in one or more states. Certain of these individuals are also affiliated with their own law firms. In their separate capacities as attorneys, these individuals can provide legal advice and services for a fee, which is separate from and in addition to any advisory fees charged to the client by Brokers Financial. Brokers Financial does not offset its advisory fees for legal fees paid to these individuals acting in their separate capacities as attorneys or to their law firms.

These Advisors, as appropriate, may offer legal services and/or recommend these law firms to clients in need of legal advice. Clients should note that they are under no obligation to engage these individuals in their separate capacities as attorneys or their law firms when seeking legal advice or considering engaging a law firm. Clients should be aware that the potential for Brokers Financial's Advisors or their law firms to receive compensation in addition to fees received for providing investment advice through

Brokers Financial creates a conflict of interest that may impair their objectivity when making a recommendation for legal services or when making advisory recommendations that would require the receipt of legal advice to implement (e.g., a recommendation in a financial plan that the client prepare a will or establish an estate plan).

Mitigating Conflicts of Interest – Brokers Financial endeavors to put the interest of its clients first as part of its fiduciary duty and takes the following steps to address these conflicts:

- Brokers Financial seeks to identify and disclose to clients the existence of material conflicts of interest, including the potential for Brokers Financial's employees to earn compensation from advisory clients in addition to Brokers Financial's advisory fees;
- Brokers Financial discloses to clients that they are not obligated to purchase recommended services from Brokers Financial's supervised persons, or companies owned in whole or part by supervised persons of Brokers Financial;
- Brokers Financial seeks to collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance and to tailor its investment advice to the client's needs;
- Brokers Financial requires that its employees seek prior approval of any outside employment activity so that Brokers Financial may ensure that any conflicts of interests arising as a result of such activities are properly addressed and disclosed;
- Brokers Financial periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by Brokers Financial; and
- Brokers Financial educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Code of Ethics Summary

Description of Code of Ethics

All supervised persons of Brokers Financial must act in an ethical and professional manner. In view of the foregoing and applicable provisions of the Advisers Act, we have adopted a set of enforceable guidelines ("Code of Ethics"), to identify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by Brokers Financial personnel. Brokers Financial's Code of Ethics specifically deals with professional standards, prohibition on insider trading, personal trading, gifts and entertainment, and fiduciary duties, and establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The goal of our Code of Ethics is to protect the interests of our clients and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. We will provide a copy of our Code of Ethics to any client or prospective client upon request. Please contact us at 877-886-1939 or by email at compliance@brokersfinancial.com if you would like to receive a full copy of our Code of Ethics.

Recommendations Involving Material Financial Interest

Under certain circumstances, Brokers Financial recommends or effects transactions in securities in which we or a related person has a material financial interest. Please refer to *Item 14 – Client Referrals and Other Compensation* for information regarding transaction cost avoidance benefits received by Brokers Financial, or our Advisors, in connection with wrap fee programs offered by the Firm through the availability of no-transaction fee mutual funds from our approved custodians. Also, Item 14 provides important information regarding revenue-sharing benefits received by Brokers Financial for its participation in the Pershing FUNDVEST® Program and from a default cash sweep program selected for use in client portfolios custodied with Pershing.

Personal Trading For Supervised Persons

Occasionally, supervised persons of Brokers Financial, may buy or sell securities for their own account(s) that they have also recommended to clients. However, any purchase or sale of a security by supervised persons will be subject to the fiduciary duty owed to the client. From time to time, Advisors of Brokers Financial may buy or sell securities for themselves at or around the same time as Brokers Financial's clients. With respect to Advisor-managed accounts, the Firm's policy is to place client trades before trading for their own benefit or to trade alongside client trades in an aggregated order and use pro rata, average pricing.

To mitigate or remedy conflicts of interest or perceived conflicts of interest, Brokers Financial will monitor personal trading activity of the Firm's access persons for adherence to its Code of Ethics. (Access persons include supervised persons who (i) have access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund; or (ii) is involved in making securities recommendations to clients, or who have access to such recommendations that are nonpublic).

Clients should refer to the disclosures of any sub-adviser, if applicable, regarding its policies concerning the personal trading activity of its supervised persons.

Account Reviews and Reviewers

Advisors conduct annual reviews of client account(s) to have a reasonable basis to believe that the selection of account type remains in the client's best interest. The reviews consist of determining whether the Advisor's portfolio management and portfolios are in alignment with the client's investment goals, objectives, and any reasonable restrictions. An Advisor's underlying premise for the initial and continued suitability of the account type is based on the totality of services provided to the client, and not any single service or component of the overall fee.

Additional reviews may be caused by a change in client circumstances or upon client request. Securities held in accounts managed by Brokers Financial are monitored periodically.

Statements and Reports

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

Client Referrals and Other Compensation

Compensation Received for Client Referrals

Brokers Financial receives fees for referring clients that open accounts with unaffiliated investment adviser firms. The amount of fees increase as the amount of assets referred to the unaffiliated investment adviser firm increases. The exact services offered and the arrangement with Brokers Financial varies depending on the unaffiliated investment adviser. Clients are provided a copy of the unaffiliated investment adviser firm's Form ADV Part 2, or similar disclosure brochure at the time of the referral, as well as additional disclosures, as required, regarding our referral arrangement with the unaffiliated investment adviser firm and related, material conflicts of interest.

Other Compensation and Economic Benefits

Cash Sweep Program

Cash sweep programs allow clients to earn a return on uninvested cash balances by automatically "sweeping" cash balances, such as dividends, incoming cash deposits, and money from sell orders, into a sweep vehicle until such balances are invested or otherwise used to satisfy obligations arising in the account.

Brokers Financial has selected a default cash sweep program ("Cash Sweep Program"), available through Pershing, an affiliate of BNY Mellon Securities Corporation, which will automatically "sweep" available cash balances awaiting investment or reinvestment in client accounts custodied with Pershing into interest bearing deposit accounts offered through participating banks ("Participating Banks") selected by Pershing. Deposits at an individual Participating Bank are covered by FDIC insurance up to a maximum of \$250,000 and an aggregate total across Participating Banks of up to \$2,500,000, subject to bank availability. The FDIC (Federal Deposit Insurance Corporation) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. For purposes of calculating the available FDIC coverage at each Participating Bank, cash deposited at a Participating Bank is aggregated with all other deposits held by you outside of the Cash Sweep Program in the same insurable capacity at that Participating Bank. You are responsible for monitoring the total amount of deposits held outside of the Cash Sweep Program at Participating Banks in order to determine the extent of FDIC deposit insurance coverage. You may review the most current lists of Participating Banks in the Cash Sweep Program at <https://www.pershing.com/rates>, and your Advisor can notify you of the applicable bank list for your account. If you wish to designate a Participating Bank as ineligible to receive your funds through the Cash Sweep Program, please contact your Advisor.

Should your cash balance exceed the total aggregate maximum for FDIC coverage within the Cash Sweep Program, any additional free credit balance will be swept into a secondary option selected by Brokers Financial, or, if no secondary sweep option has been selected, into a default money market mutual fund.

The interest rate available on client deposits in the Cash Sweep Program is equal to the weighted average of the interest rates paid by all Participating Banks on the client's balances, based on current market conditions, less applicable deposit fees, which include fees paid to Pershing and retained by the Cash Sweep Program sponsor (the "Net Interest Rate Available"). The interest rate you earn through the Cash Sweep Program will be lower than interest rates available to depositors in interest-bearing accounts held directly at a Participating Bank or other FDIC-insured depository institutions, but such institutions could require a minimum amount to establish an interest-bearing deposit account that is maintained outside of the Cash Sweep Program.

Pursuant to an agreement entered into with Pershing, the Net Interest Rate Available on a client's Cash Sweep Program balance(s) will be shared between the client and Brokers Financial. The amount of the Net Interest Rate Available paid to Brokers Financial and to the client is tiered based on the value of all the client's "Eligible Account(s)," which include the client's Integrity Advisory Solutions accounts custodied with Pershing (for which Brokers Financial acts as introducing/executing broker), registered under the same Tax ID Number, and for which the Cash Sweep Program is selected as the cash option. The product selected for the Cash Sweep Program includes five tiers, as follows:

- Tier 1 – \$0-\$49,000
- Tier 2 – \$50,000-\$99,999
- Tier 3 – \$100,000-\$499,999
- Tier 4 – \$500,000-\$999,999 and
- Tier 5 – \$1 million and above.

Each tier includes a different percentage split of the Net Interest Rate Available between the client and Brokers Financial. Moreover, there are several product options available for the Cash Sweep Program, "A" to "E." Each product option provides five tiers with differing percentage splits between the client and Brokers Financial, with "A" paying the highest amount of revenue sharing to Brokers Financial and "E" paying the least to Brokers Financial. Brokers Financial has selected product "A," which means that the Net Interest Rate Available to clients typically will be lower than what it might have been had Brokers Financial selected product "B," "C," "D," or "E." The percentage of the Net Interest Rate received by Brokers Financial within the Cash Sweep Program product option selected will be as high as 70% for accounts valued under \$50,000 in a given month (Tier 1), and as low as 10% for accounts valued over \$1 million (Tier 5). However, the rate of Brokers Financial's fee is capped at 1.30% at each Tier, meaning that if the Net Interest Rate Available is above 1.30%, Brokers Financial's share will not surpass 1.30%. Once this maximum to Brokers Financial is reached, the entire remaining Net Interest Rate Available will

be applied to client yield. For example, assuming, based on the value of a client's Eligible Account(s), the applicable tier has a 50/50 split between Brokers Financial and the client; and assuming a Net Interest Rate Available of 3.00%; without the cap, both Brokers Financial and the client would receive a Net Interest Rate of 1.50%. However, as Brokers Financial's share is capped at 1.30%, in this example, it would receive a Net Interest Rate Available of 1.30%, and 1.70% would be applied to client yield.

Participating Banks do not have a duty to offer the highest rates of return available to participants in the Cash Sweep Program or rates comparable to those offered in money market mutual funds or other cash options. The Net Interest Rate Available will typically fluctuate daily.

Pershing will determine the applicable tier and, therefore, the percentage split of the Net Interest Rate Available between Brokers Financial and the client each month based on the aggregate value of the client's Eligible Accounts ("Eligible Account(s) Balance"). Pershing will determine your Eligible Account(s) Balance as of the interest posting date each month and add it to the Eligible Account(s) Balance as of the interest posting date for the prior month, which is then divided by two to determine your average Eligible Account(s) Balance for the period. This average Eligible Account(s) Balance will determine your eligibility for a particular tier for the forthcoming interest period. (Your initial deposit into the Cash Sweep Program will be used to determine the applicable tier for the initial interest period).

Under this arrangement, Brokers Financial earns revenue on the client's cash balances in addition to any compensation earned as introducing/executing broker and for acting as investment adviser to client accounts maintained with Pershing. Advisory fees are typically calculated on the value of the client's account, which includes the value of cash balances held in the account. This means that Brokers Financial, when acting as investment adviser on a client's account, earns at least two layers of fees on the same cash balances in these accounts. Also, any percentage of the Net Interest Rate Available that Brokers Financial receives will reduce the amount of interest you receive on cash balances in your accounts held with Pershing.

The compensation received under this revenue sharing arrangement is retained by Brokers Financial and is not shared with your Advisor. Your Advisor does not have an additional financial incentive tied to the Cash Sweep Program or other available cash options for your account.

Brokers Financial's ability to select a default cash sweep program for accounts custodied with Pershing presents a conflict of interest as not all cash options available offer revenue sharing to Brokers Financial, some offer lower revenue sharing amounts, and, as disclosed above, various other products available within the Cash Sweep Program would share less revenue with Brokers Financial than the product selected by the Brokers Financial. The potential to receive additional compensation creates an incentive to make this decision based, at least in part, on Brokers Financial's pecuniary interests rather than the best interests of clients.

When Brokers Financial acts as investment adviser to client accounts, this arrangement can also present a conflict of interest by creating an incentive to maintain a higher cash balance within accounts than would otherwise be necessary in order to earn additional compensation from the Cash Sweep Program.

While a cash sweep program using FDIC-insured deposits, such as the Cash Sweep Program, could benefit you, any potential benefit does not eliminate the conflicts of interest that arise.

Notwithstanding any revenue received from the Cash Sweep Program, Brokers Financial has taken and will continue to take steps to reasonably ensure, evaluate, and monitor on a periodic basis that its use and choices of cash sweep programs, including the Cash Sweep Program, is in the best interest of clients, taking into consideration certain quantitative and qualitative factors, such as:

- the relative interest rates offered by the Participating Banks within the Cash Sweep Program as compared to available alternative cash investments, such as, but not necessarily limited to, money market mutual funds;
- the availability of the maximum FDIC insurance limits to a client based on the client's aggregate invested cash in Participating Banks; and
- the importance of FDIC insurance in view of a client's investment objectives and risk tolerance (based on strategy chosen) as balanced against the quantitative considerations above.

Brokers Financial will also reasonably seek to ensure that Advisors do not receive compensation from the Cash Sweep Program. Brokers Financial will also periodically monitor the amount of cash each of its clients has in the Cash Sweep Program, comparing the cash levels maintained to prudent investing standards germane to the strategy selected. Brokers Financial will document, and maintain in its files, the results of these periodic reviews.

Nonetheless, you should be aware that the Cash Sweep Program (and cash sweep programs, generally) will generate lower yields than cash alternatives available. Clients are not obligated to use the Cash Sweep Program for their accounts custodied with Pershing and can select a different option for the cash held in their account(s), including but not necessarily limited to, a money market mutual fund, or a free credit balance.

Clients should compare the terms of the Cash Sweep Program with those of other available investments for cash, including, among other factors, interest rates, required minimum amounts, and other features, as well as applicable risks, and the relative value the client places on the security of the FDIC insurance provided through the Cash Sweep Program.

Negative Interest Rates: In response to certain extraordinary economic conditions, some foreign countries have implemented a negative interest rate policy to stabilize their economies. Under such a policy, a central bank charges banks a fee to hold reserves, and, as a result, the banks then charge depositors a fee to maintain their deposits. Historically, the US has not adopted policies resulting in negative interest rates, and there is no indication that the Federal Reserve Board plans to adopt such a policy in the future. If, however, such a policy is adopted in the US, Program Banks may begin to charge fees to maintain deposits held through bank deposit sweep products, such as the Cash Sweep Program. In such an event, a fee would be charged for maintaining your deposits at Participant Banks through the Cash Sweep Program. This fee would be in addition to fees received from Participant Banks for their participation in the Cash Sweep Program. Any fees related to negative interest rates would be applied to your Cash Sweep Program balance on a monthly basis for the duration of the negative interest rate period. If applicable, this fee will appear on your periodic account statement.

A money market mutual fund, unlike Participating Bank deposits utilized by the Cash Sweep Program, is not insured or guaranteed by the FDIC or any other governmental agency, and it is possible to lose money in a money market mutual fund.

Money market mutual funds seek to preserve a net asset value of \$1.00, with excess earnings that are generated through interest on portfolio holdings typically distributed to investors in the form of dividend payments. Average annual rates of return from money market mutual funds available as an alternative to the Cash Sweep Program will vary over time and will typically be higher than the interest rate paid on deposits to you through the Cash Sweep Program.

Under stressed market conditions (e.g., which may cause the Federal Reserve Bank to purchase government securities from the market in order to lower interest rates and increase the money supply, also known as “quantitative easing”), however, money market mutual funds may not pay investors any excess dividends or distributions. Under severe market stress, a money market mutual fund may fail to preserve a net asset value of \$1.00 and/or may no longer be a viable business for the fund sponsor, which may force the sponsor to liquidate. As a result of any of these factors, it is possible to lose money in a money market mutual fund.

Uninvested cash held by the Firm as a “free credit balance” in all client accounts is covered by the Securities Investor Protection Corporation (SIPC), a non-profit, non-government, membership corporation, funded by member broker-dealers. SIPC’s coverage protects against the custodial risk (though not against a decline in market value) when a SIPC-member brokerage firm fails by replacing missing securities and cash up to a limit of \$500,000 of which \$250,000 may be in cash per customer under SIPC rules.

Brokers Financial will earn more money from the revenue sharing arrangement in connection with the Cash Sweep Program than it would should you select a different cash option for your account(s).

You should consider your investment objectives, liquidity needs and risk tolerance in reviewing whether the Cash Sweep Program or another product or approach is appropriate for you with respect to cash

balances held in your account(s). If you desire to maintain a large cash position for an extended period of time, you should contact your Advisor to discuss your options.

We urge you to carefully review the detailed information regarding the Cash Sweep Program provided in the Disclosure Statement and Terms and Conditions prepared by BNY Mellon Securities Corporation here: <https://www.dreyfus.com/content/dam/im/documents/manual/brochures/did-terms-tiered.pdf>.

To opt for a different cash option for your account, please notify your Advisor.

NTF Funds and 12b-1 Fees

Approved custodians offer NTF (no-transaction fee) mutual funds, which allows Brokers Financial and Advisors to select funds that trade without a transaction fee. The availability of NTF mutual funds creates a conflict of interest with respect to any wrap fee program in which Brokers Financial, or the Advisor, is responsible for transaction charges because the fewer transaction charges that are incurred with respect to the wrap fee account, the more of the wrap fee is retained. At the same time, NTF mutual funds often have higher internal expense ratios than other share classes of the same or other similar funds that may be recommended for the client's account. Brokers Financial seeks to mitigate this conflict of interest by adopting and implementing a policy requiring that the Firm and Advisors endeavor to recommend the lowest cost share class of mutual funds available to clients under relevant circumstances of the trade in keeping with each client's best interests.

Generally, mutual fund companies offer multiple share classes of the same mutual fund. Some share classes of a fund have higher internal expenses than others, including but not limited to 12b-1 fees, whereas other share classes of the same fund have lower internal expenses, with or without 12b-1 fees. Institutional and investment advisory share classes typically have lower expense ratios, do not charge 12b-1 fees, and are less costly for a client to hold than Class A shares or other share classes that are eligible to purchase in an investment advisory account. Mutual funds that offer institutional share classes, investment advisory share classes, and other share classes with lower expense ratios are available to clients who meet specific eligibility requirements that are described in the mutual fund's prospectus or in its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amount thresholds and accounts that the fund considers qualified, fee-based programs.

The lowest-cost mutual fund share class for a particular fund may not be offered through approved custodians or made available within specific investment advisory programs. Brokers Financial endeavors to recommend the lowest cost share class of mutual funds available to clients under the circumstances of the trade. Relevant circumstances of the trade may include, among others, the particular fund share classes available through the client's account custodian when, for example, they may be the lowest cost share class available on the platform, but are not necessarily the lowest cost share class available on other platforms or under other circumstances.

While Brokers Financial endeavors to use the lowest-cost share class available and periodically reviews client fund holdings to convert higher cost shares to lower cost shares in accordance with its fiduciary duty, the Firm cannot ensure that all clients will hold the lowest cost shares available under any circumstances at any given time. Clients are urged to discuss with their Advisor why the particular fund(s) or other investments recommended or held in their account are appropriate for them considering their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, and the amount of the advisory fee charged. Clients should also ask their Advisor whether the client will pay transaction charges for fund purchases and sales, whether the client will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and the relevant tax considerations of the mutual fund share class(es) or investment(s) selected for the client's account.

Accordingly, the client should review both the fees charged by the funds and Brokers Financial investment advisory fees to fully compare and understand the total amount of fees to be paid by the client and, therefore, evaluate the advisory services being provided.

Brokers Financial does not receive 12b-1 fees from mutual fund companies in connection with advisory assets under management. For client accounts custodied with Pershing, for which Brokers Financial acts as executing broker, instructions have been provided requiring Pershing to rebate 12b-1 fees incurred by the Firm's clients. For client accounts custodied with Schwab, where Brokers Financial is not the executing broker, Schwab will generally retain any 12b-1 fees charged to Firm clients. These differing approaches will result in client accounts being more costly to maintain when holding mutual funds charging 12b-1 fees at Schwab versus Pershing. Clients should consider the differing treatment of 12b-1 fees by account custodians, including whether the client expects to hold mutual funds in their account, when selecting an investment program that is available from Brokers Financial only through certain custodians.

Pershing FUNDVEST® Program

Brokers Financial is a participant in Pershing's FUNDVEST® ticket charge program ("FUNDVEST® Program"), which offers NTF mutual funds.

Pursuant to an agreement with Pershing, Brokers Financial is also eligible to participate in revenue sharing with respect to certain FUNDVEST® Program mutual funds. For FUNDVEST® Program funds that do not charge 12b-1 fees, Pershing will share 40% of any service fees received from such funds held by Brokers Financial client accounts that exceed \$10 million. Brokers Financial does not receive any share of service fees on the first \$10 million of client assets in the FUNDVEST® Program. (Service fees include all fees other than 12b-1 fees paid directly or indirectly by a FUNDVEST® Program mutual fund). This arrangement creates a conflict of interest in that Brokers Financial has incentive to recommend NTF mutual funds available through the FUNDVEST® Program in order to reach or exceed this threshold and share in revenue rather than based on the client's best interests.

Also, as disclosed at Item 5 of this Brochure, in addition to an asset based brokerage fee paid to Pershing from the Wealth Solutions Program Platform fee, Pershing is paid a percentage of the Platform fee in connection with any client assets invested in the Wealth Solutions Program outside of the mutual funds made available through Pershing's FUNDVEST® Program. As Brokers Financial retains the portion of the Platform fee not paid to Pershing, this creates a conflict of interest as the Firm stands to retain a greater portion of the Platform fee by recommending FUNDVEST® Program mutual funds over other mutual funds (or ETFs) that may be appropriate for the client's Wealth Solutions Program account based on our own pecuniary interests rather than the best interests of the client.

Brokers Financial seeks to mitigate these conflicts of interest by disclosing them to you, by making certain investment programs available through custodians other than Pershing, by providing investment advice without regard to the revenue we may receive under these arrangements, and by adopting policies and procedures reasonably designed to ensure that recommendations are made in the best interests of clients.

FUNDVEST® Program mutual funds also charge short-term redemption fees of \$50 for liquidations that do not meet required holding periods. Applicable required holding periods generally run from 30 days to 6 months. Clients bear the cost of short-term redemption fees, as applicable. Investment programs and strategies offered by Integrity Advisory Solutions are generally designed to hold investments for longer periods. If a short-term redemption fee is incurred, it is typically the result of an unscheduled client request to withdraw assets after a recently placed trade in the client's account.

Benefits Received from Custodians

Products and Services Available to Us from Pershing

We have entered into an arrangement with Pershing that permits us to receive a portion of Wealth Solutions Program platform fees that are assessed. This arrangement and the associated conflicts of interest are more fully described in *Items 5 and 14* of this Brochure.

We also receive some benefits from Pershing that may include, for example, reimbursement to our firm for the expenses related to marketing events, or Pershing may pay the vendors directly. The amounts of those payments vary according to the size of the event and are based on the amount of assets under management we place with Pershing.

The benefits we may receive from Pershing 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 adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and discounts on research, technology, and practice management products or services provided to our firm by third party vendors. In addition, Pershing provides Brokers Financial certain model portfolios and trading signals through its affiliate, BNY Mellon Advisors, Inc., which are used by the Firm in the Wealth Solutions Program to manage client accounts and both Brokers Financial and Pershing retains a portion of the fee charged to clients enrolled in the Program.

Pershing may also pay for business consulting and professional services received by our associated persons. Some of the products and services made available by Pershing may benefit our firm and/or associated persons but may not benefit you or your accounts. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at Pershing. Other services made available by the custodian are intended to help us manage and further develop our business enterprise. The benefits we receive do not depend on the amount of brokerage transactions directed to Pershing, though some do depend on the level of assets we have custodied with Pershing. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. You should be aware; however, that the receipt of economic benefits by our firm or our associated persons itself creates a conflict of interest and may indirectly influence our choice of the custodian for custody and brokerage services. Without limiting the above, our associated persons may attend conferences offered by various vendors and/or wholesalers at a discounted price or no cost.

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

Services That Benefit You. Schwab's institutional brokerage services 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 you and your account.

Services That May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Services That Generally Benefit Only Us. 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.

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.

Commission and fee structures of various broker-dealers are periodically reviewed to analyze quality of overall execution services. Accordingly, while Brokers Financial will consider competitive rates, it may not necessarily obtain the lowest possible commission rates or most favorably execution services for client account transactions. Therefore, the overall services provided by broker-dealers are evaluated to determine best execution.

Schwab has eliminated transaction fees for online trades of U.S. equities, ETFs, and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities for your account custodied with Schwab, we will not have to pay any transaction fees to Schwab. We encourage you to review the Custodian's pricing to compare the total costs of entering a wrap fee arrangement versus a non-wrap fee arrangement.

If you choose to enter a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account at Schwab please refer to Schwab's most recent pricing schedules available at www.schwab.com/aspricingguide.

Insurance Agency Referrals

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

You should be aware that the receipt of commissions and additional compensation creates a conflict of interest and may affect the independent judgment of your Advisor when making recommendations about annuities and insurance products in general or a particular annuity or insurance product offered by a certain insurance company or through an IMO (independent marketing organization). We seek to address this conflict of interest by disclosing it to you and by adopting and enforcing policies reasonably designed to ensure that Advisors make recommendations solely in each client's best interest.

Loans to Advisors

Brokers Financial provides loans to some Advisors when affiliating with the Firm. Loans provided are generally forgivable over five years and based on criteria such as remaining affiliated with the Firm and achieving certain levels of assets under management, sales or revenue goals. While not a routine practice of Brokers Financial, the loan presents a conflict of interest as it can create incentive to recommend that you increase the assets within your account, or to make other recommendations based on the Advisor's pecuniary interest rather than in your best interest. To address this conflict of interest we have adopted and seek to enforce policies requiring that Advisors make recommendations solely in each client's best interest.

Solicitation Arrangements

Brokers Financial has entered into arrangements to compensate certain persons (each a "Solicitor" and collectively "Solicitors") for client referrals. Pursuant to a written referral agreement between Brokers

Financial and a Solicitor, the Solicitor agrees to refer prospective clients to Brokers Financial to participate in our investment management programs. Where applicable, the agreement identifies the roles and responsibilities of the Solicitor, the Advisor and Brokers Financial and the specific amount of the annual advisory fee to be shared with the Solicitor. This fee compensates the Solicitor for referring clients to us, assisting in the enrollment of clients for participation in our programs, and facilitating communication between us and clients. The annual advisory fee charged to the client will not be affected if the client was introduced or referred by a Solicitor. Through the Solicitors Written Disclosure Document, each client is made aware of the referral agreement prior to or at the time of entering into an advisory contract and acknowledges receipt of a current Brokers Financial Form ADV Part 2A or appropriate Wrap Fee Brochure. The advisory fee will be paid monthly for so long as the client maintains an Investment Advisory Agreement with Brokers Financial and the Solicitor's agreement with Brokers Financial remains in-force. If at any time either agreement is terminated, the advisory fee payments to the Solicitor will cease.

Financial Information

This item is not applicable to this brochure. Brokers Financial does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

Finally, Brokers Financial has not been the subject of a bankruptcy petition at any time.