



Brokers FinancialTM

AN INTEGRITY  COMPANY

Brokers International Financial Services, LLC

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This brochure ("Brochure," or "Disclosure Brochure") provides information about the qualifications and business practices of Brokers International Financial Services, LLC ("Brokers Financial", the "Firm," "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, Brochure (hereinafter our “Brochure” or “Disclosure Brochure”) will provide a summary of material changes made to the Brochure from time to time. As required, should we make material changes to this Disclosure 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 has been amended to clarify the services provided through the Edge Program, including that third party money managers may be recommended within the program through the Schwab Managed Account Platform or otherwise. Item 4 has also been amended to disclose that Brokers Financial has added a new wrap fee program, Wealth Solutions, which is summarized in a separate Wrap Fee Brochure. 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 5 has been amended to clarify the components of the total advisory fee charged to Edge Program clients.
- Item 8 has been amended to summarize the firm's due diligence processes with respect to third party money managers engaged as sub-advisers and to disclose certain risks of selecting and using sub-advisers in the management of client accounts. Item 8 has also been amended to provide additional details regarding the risks of investing as well as risk factors relevant to certain specific securities that may be used in the management of client accounts.
- Item 10 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 and to disclose a sub-advisory agreement and service agreement entered into with one such affiliate.
- Item 12 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. Item 12 has also been amended to disclose that Brokers Financial will typically place trades in client accounts 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 12 was further amended to disclose that the Firm generally requires clients to direct brokerage to a particular broker dealer of the client's choosing.
- Items 12 and 14 have 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 14 was amended to disclose certain conflicts of interest that arise in connection with Brokers Financial's participation in the FUNDVEST Program sponsored by Pershing. Item 14 was further

amended to disclose that Brokers Financial receives compensation from a default cash sweep program utilized in client accounts custodied with Pershing and the resulting conflicts of interest.

- Item 15 has been amended to reflect that the firm may accept the authority granted in third-party standing letters of authorization whereby a client instructs the account custodian to accept instructions from Brokers Financial to direct or transfer funds from the client's account to a third-party.
- 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 – Advisory Business

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”).

Our business model is based on a network of investment adviser representatives with offices located throughout the United States. Our investment adviser representatives (Advisors) are independent contractors and not employees of Brokers Financial.

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.

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 10 – Other Financial Activities and Affiliations*.

Not all Advisors registered with our Firm are registered in a dual 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 the financial professional, professionals’ licenses, and firm affiliations at Investor.gov/CRS.

Client Onboarding:

Through personal discussions with each client, questionnaires and/or requests for documentation, your 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 trade execution costs 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:

Certain investment programs offered through the Firm's Asset Management Services 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 ability to impose reasonable restrictions on the accounts we manage for you, including specific investment selections and sectors. (Based on their nature, however, clients may not set restrictions on the management of the subaccounts for variable annuities or the management of plan participant accounts). 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 typically 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 transferred assets are the responsibility of the client.

Primary Advisory Services

Asset Management Services

Asset Management Services is when we or your Advisor provide continuous and regular supervisory or management services of your account(s) through one of our advisory programs. Our advisory programs include our wrap programs (Wealth Solutions, Aspire and Retirement Ally Programs) and non-wrap programs (Edge Program).

Brokers Financial Wrap Programs:

Brokers Financial offers asset management services through several wrap fee programs sponsored by the Firm including the Brokers Financial Aspire Program (“Aspire Program”), which features Advisor-managed accounts, and the Wealth Solutions and Retirement Ally Programs, for which Brokers Financial acts as discretionary investment manager.

Through the Aspire Program, your Advisor will select the securities and allocation for your account and directly manage the account on an ongoing basis. The Aspire Program allows for both discretionary and non-discretionary trading authority. Wealth Solutions and Retirement Ally Program accounts are managed by Brokers Financial using model asset allocation portfolios. If, based on information provided, the Wealth Solutions or Retirement Ally Program is recommended, your Advisor will also assist you in selecting an appropriate portfolio available through the selected Program and provide information regarding the selected portfolio, as well as the client’s financial circumstances and reasonable restrictions imposed on the management of the client’s account, as necessary, to Brokers Financial.

The Aspire, Wealth Solutions and Retirement Ally Programs are separately detailed in Brokers Financial’s Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure. As applicable, clients should carefully review this separate Brochure for important additional information regarding the Programs, including information regarding the wrap fee, any costs not included within the wrap fee, account requirements, representative availability, conflicts of interest, and other important information. If you did not receive a copy of Brokers Financial’s Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure and Form CRS, please contact your investment adviser representative or Brokers Financial by phone at (877)-886-1939 or by email at compliance@brokersfinancial.com.

Brokers Financial Edge Program (Edge Program):

Through the Edge Program, Brokers Financial’s Advisor will select the securities and the allocation among securities for a client’s account, and directly manage the account on an ongoing basis. Based on the client’s investment objectives, overall financial condition, income and tax status, net worth, risk profile, and other factors, as applicable, the Advisor will either offer general model portfolios/strategies, or develop a customized portfolio for the client. Investment strategies, models, and philosophies used within the Edge Program vary by the Advisor directly managing the account. For example, 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.

If appropriate, the Advisor may recommend one or more unaffiliated investment advisers, each a third-party sub-adviser (“TPSA”), to manage all or a portion of the client’s account subject to the Advisor’s supervision. The Firm’s due diligence reviews consider several factors when determining whether to engage an investment adviser to provide sub-advisory services to clients. Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* of this Brochure for additional information regarding the Firm’s due diligence methodology.

As a result of these varied approaches, the portfolios of clients enrolled in the Edge Program with similar investment needs and profiles will not necessarily be similarly invested or experience the same performance.

Client accounts enrolled in the Edge Program are typically managed on a discretionary basis, which means the Advisor has the authority to buy or sell securities without obtaining client approval prior to each transaction. Brokers Financial’s Advisors must be prequalified by the Firm before they are permitted to

exercise discretionary authority over client accounts. Advisors are required to inform the client if they will exercise discretion over the client's account.

With respect to a TPSAs, Brokers Financial may also accept the discretionary authority to hire and fire TPSA's on the client's behalf.

As applicable, a TPSA recommended to a client will typically retain discretionary authority to formulate, monitor, and revise the client's account or portion of the total client account allocated to the TPSA's management. However, this discretionary authority is limited to directly trading the securities held in the client's account or portion of the total client account allocated to the TPSA's management. The TPSA will be authorized to place trades through the client's selected custodian, or through other broker-dealers the TPSA reasonably determines will provide the client with best execution under applicable circumstances of the trade. If a TPSA executes a trade through a broker-dealer other than the client's selected custodian, the client will typically incur additional charges. Please refer to *Item 12 – Brokerage Practices* of this Brochure for additional information.

Clients may place reasonable restrictions on the types of investments that are purchased in their Edge Program accounts. Clients may also place reasonable limitations on the discretionary power granted to the Advisor if the restrictions and limitations are specifically set forth in writing or included as an attachment to the appropriate client Investment Management Agreement. Please note that any restriction or limitation imposed could affect the performance of the account. Discretionary authority will remain effective until the client or Brokers Financial terminates the relationship or the authority is revoked in writing by the client.

Clients also may opt to designate their Edge Program account as nondiscretionary, which means that the client will make the ultimate decision regarding the purchase or sale of investments within the account and Brokers Financial will not have the authority to hire or fire TPSAs on the client's behalf.

Clients must notify their Advisor of any changes to their financial situation, investment objectives, or if they would like to add or change a reasonable restriction or limitation on their account. Brokers Financial recommends that clients review this information on a quarterly basis. Advisors are required to contact clients at least annually to review each client's account(s), financial situation, and investment objectives.

Schwab Managed Account Platform: When recommending a Third-party Sub-Adviser to manage a client's account or any portion of a client's account, as applicable, your Advisor may employ the Schwab Managed Account Platform "Marketplace," a platform offered by Schwab to registered investment advisers that provides information regarding a wide range of third-party investment advisers and strategies.

We recommend that clients establish Edge Program accounts through the following approved custodians:

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

As applicable, clients should carefully review the Form ADV, Part 2A Brochure or Form ADV, Part 2A, or other disclosure document, and Form CRS of any recommended third-party sub-adviser for important additional information regarding the sub-adviser's services, fees, conflicts of interest and other important information. If you did not receive a copy of a recommended third-party sub-adviser's Form ADV, Part 2A Brochure or Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure, and Form CRS, please contact your Advisor or Brokers Financial by phone at (877) 886-1939 or by email at compliance@brokersfinancial.com.

Third-party sub-advisers may not achieve the best rate of returns or charge the lowest fees in comparison to other investment advisers.

Third-Party Investment Adviser Referral Program

Under this service, you have access to advisory services offered by third-party money managers. The third-party money managers are responsible for continuously monitoring your account and making trades

when necessary. Third-party investment advisers are subject to review and approval by Brokers Financial and are subject to change.

Your Advisor will assist you identifying your risk tolerance and investment objectives and may recommend a third-party investment adviser based upon your individual needs. In order to participate in this service, you are required to enter into an agreement directly with the third-party investment adviser who will then directly provide you with asset management services.

Your Advisor is available to answer questions you may have regarding your account and to act as the intermediary between you and the third-party investment adviser. Third-party investment advisers may obtain discretionary authority from you to determine the securities to be purchased and sold for your account. Brokers Financial does not have trading authority with respect to your managed account with the third-party investment adviser(s). The format and frequency of client reporting varies depending on the selected third-party investment adviser.

Third-party managed programs generally have account minimum requirements that will vary from investment adviser to investment adviser. Account minimums are generally higher on fixed income accounts than equity-based accounts. A complete description of the third-party investment adviser's services, fee schedules and account minimums are disclosed in the third-party investment adviser's Form ADV, Part 2A, Disclosure Brochure, or Form ADV, Part 2A, Appendix 1, Wrap Brochure, or similar disclosure document, which is required to be provided to clients at the time an agreement for services is executed and the account is established. If you did not receive the Form ADV, Part 2A Disclosure Brochure or Appendix 1, Wrap Fee Program Brochure, as applicable, and Form CRS for any recommended third-party investment adviser, please contact Brokers Financial at 877-886-1939 or at compliance@brokersfinancial.com.

While Brokers Financial consistently reviews the performance of numerous third-party investment adviser firms, we will only approve a select number of third-party investment advisers available to its Advisors.

Brokers Financial's third-party investment adviser recommendations are limited to third-party investment advisers that pay the Firm a referral fee. Please refer to *Item 14 – Client Referrals and Other Compensation* for important additional information regarding our referral arrangements with third-party investment advisers.

Planning and Consulting Services

Certain Advisors of Brokers Financial may provide some, all, or none of the planning and consulting services described below. Please note that the services listed below do not provide for active management (such as the Portfolio Management Services described above) or monitoring of your account except for Retirement Plan Participant Consulting Services. Advisors will not advise on business value analysis, business liquidations, or provide tax, accounting, or legal advice, but these components can be referred to third parties. Our planning and consulting services do not require any minimum net worth or income.

Should a client choose to implement any recommendations provided through the planning or consulting services described below, Brokers Financial suggests the client work closely with his/her attorney, accountant, insurance agent, broker-dealer and/or other professionals, as appropriate, based on the nature of the recommendation. Implementation of recommendations is entirely at the client's discretion.

As set forth at *Item 10 – Other Financial Industry Activities and Affiliations*, certain management persons and Advisors of the Firm are separately licensed or registered as representatives of our brokerage arm and/or insurance agents of Brokers Financial as insurance agency. Should a client choose to implement securities or insurance recommendations provided pursuant to the services described below through Brokers Financial and their Advisor in the Advisor's separate capacity as a broker-dealer representative or insurance agent, Brokers Financial and the Advisor will receive compensation for these services that is in addition to Brokers Financial's advisory fees. The ability to earn additional compensation can give rise to certain conflicts of interest. Please refer to *Item 10* of this Brochure for additional information. Clients are under no obligation to utilize the services of Brokers Financial or our affiliated persons in their separate capacities to implement recommendations.

Financial Planning Services:

The role of our Advisor in providing financial planning services is to deliver a plan that helps you understand your overall financial situation and helps you set financial objectives. Clients engaging Brokers Financial to provide this service will receive a written report, providing the client with a plan reasonably designed to assist the client in attaining certain stated financial goals and objectives. You are responsible for implementing any of the recommendations made by the Advisor. Financial planning services terminate upon delivery of the financial plan. Financial planning recommendations are typically generic in nature and are not limited to any specific products or services offered by a broker dealer or insurance company.

Hourly Consulting Services:

The role of our Advisor in providing hourly consulting services is to work with you throughout the year on different aspects of financial planning but without the delivery of a written plan. You are responsible for implementing any of the recommendations made by the Advisor. Hourly consulting services automatically terminate one year from the date you entered into the agreement or upon completion of delivery of services.

Financial Planning Seminars:

Financial planning seminars may include topics related to wealth management, financial planning, retirement strategies, or various other economic and investment topics. Information presented is not based on any one person's needs and individualized investment advice is not provided to attendees during the seminar. Attendees are encouraged to have individual consultations with the Advisor and to have a financial plan prepared but are under no obligation to do so. The Advisor may receive approval to conduct financial planning seminars for corporate employees.

Retirement Plan Consulting Services:

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under ERISA. Depending on the needs of the client, Retirement Plan Consulting Services may include one or more of the following: assisting with the development of an investment policy statement, monitoring of investment options, assisting with plan governance, and/or investment education for plan fiduciaries. Retirement consulting services may consist of general or specific advice.

Retirement Plan Participant Consulting Services:

The role of our Advisor is to provide a written recommendation for your retirement plan. The written recommendation is based on financial and other information you provide. You may also choose to have your Advisor provide Asset Management Services based on the investment options available within your retirement plan.

Neither Brokers Financial nor our Advisors provide recommendations or advice regarding loans from your retirement plan assets. Once a written recommendation is provided, you are responsible for implementing any recommendations made by the Advisor. Retirement planning consulting services terminates upon delivery of the written recommendation.

Advice provided with respect to retirement plans by Brokers Financial is provided as a 3(21) fiduciary.

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.

Client Assets Managed by Brokers Financial

As of December 31, 2023, Brokers Financial managed approximately \$2,000,456,128. \$953,975,886 is managed on a discretionary basis and \$1,046,480,242 is managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Asset Management Services

Asset Management Services is when we or our Advisors provide you with continuous and regular supervisory and management services with respect to your account(s) through one of our advisory programs. Our advisory programs include our wrap programs (Aspire, Wealth Solutions, and Retirement Ally Programs) and non-wrap programs (Edge Program). You will pay fees and costs whether you make or lose money on your investments. Fees and costs reduce any amount of money you make over time.

Brokers Financial Wrap Programs:

The Brokers Financial Aspire, Wealth Solutions and Retirement Ally Programs are separately detailed in the Firm's Form ADV, Part 2A, Appendix 1, Wrap Brochure. Clients should carefully review this separate Brochure for important additional information regarding these Programs, including information regarding the wrap fee, any cost not included within the wrap fee, account requirements, Advisor availability, conflicts of interest, and other important information. If one of these Programs was recommended to you and you did not receive a copy of Brokers Financial's Form ADV, Part 2A, Appendix 1, Wrap Brochure, please contact your Advisor or Brokers Financial by phone at (877)-886-1939 or by email at compliance@brokersfinancial.com.

Brokers Financial Edge Program:

The fee charged to an Edge Program account will equal the total of: 1) a Program Fee, 2) the Advisor fee negotiated between the client and their Advisor, and 3) *if applicable*, the fee charged by any third-party sub-adviser ("TPSA") recommended to manage all or a portion of the client's account.

- 1) The maximum Program Fee charged to an Edge Program account is equal to an annual rate of 0.35% of the value of the account assets under management. The portion of the total fee attributable to the 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 a lower Program Fee. The Advisor can also negotiate for a portion of the Program fee, thereby increasing their overall compensation. This can create a conflict for an Advisor that is also a registered representative of our brokerage arm. This is because if the Advisor can earn increased revenue by doing so, these circumstances create incentive for the Advisor to promote an advisory account over of a non-advisory account based on their pecuniary interests rather than the client's best interests. We seek to address this conflict of interest by disclosing it to you, and by adopting and enforcing policies reasonably designed to ensure that account-type decisions are made based on the client's best interests.

Program fees also may vary based on the Advisor servicing the client's account regardless of the level of client assets the Advisor has under management with Brokers Financial. For example, certain Advisors manage client accounts through the Edge Program for which the maximum annual Program fee is lower than .35%, based on the terms of their affiliation with Brokers Financial.

- 2) The maximum Advisor fee is equal to an annual rate of 2.00% of the Edge Program account assets under management. Advisors may negotiate their fee with clients based on each client's individual financial situation, complexity, and assets under management, among other considerations.
- 3) *If applicable*, TPSA fees will vary based on the TPSA selected and typically will be an annual fee based on a percentage of the assets placed under the TPSA's management.

The specific total combined fee schedule is agreed upon in advance and will be outlined in, or attached to, the Investment Management Agreement(s) entered into with the client.

For accounts established through Pershing, advisory fees are calculated and billed quarterly in arrears based on the value of the client's account(s) at the end of the quarter. For accounts established through Schwab, advisory fees are calculated and billed monthly, in advance, based on the value of the client's account(s) at the end of the prior month. Brokers Financial will pro rate its fees for accounts opened mid billing period.

Brokers Financial requires that the client provide authorization for the Firm and/or, if applicable, the TPSA, to deduct advisory and/or sub-advisory fees directly from the client's account and to include on each quarterly statement the amount of advisory fees paid for that time period.

Upon a client's request, we will provide an accounting of the manner in which a particular fee was calculated. Fees for the Program are paid to Brokers Financial and we pay a portion of that fee to your Advisor.

If a TPSA is recommended for the client's account, the TPSA's fees will typically be billed by the TPSA, separately from the fees charged by Brokers Financial, in accordance with the billing protocols of the TPSA selected, which protocols may differ from those of Brokers Financial (for example, the TPSA's fees may be charged monthly or quarterly, in advance or in arrears, etc.). As applicable, clients should refer to any recommended TPSA's disclosure document for detailed information regarding their billing practices.

Clients are encouraged to review the fee schedule and applicable terms with their Advisor, including, but not limited to, the components of the total fee, fee calculation methodology, and any pro ration practices.

If applicable, clients should carefully review the Form ADV, Part 2A Disclosure Brochure or other disclosure document, and Form CRS for any recommended TPSA and program for important additional information regarding the TPSA's services, fees, conflicts of interest and other important information. If you did not receive a copy of the TPSA's Form ADV, Part 2A Brochure or Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure, and Form CRS, please contact your Advisor or Brokers Financial by phone at (877) 886-1939 or by email at compliance@brokersfinancial.com. Brokers Financial will retain the discretionary authority to hire and fire TPSAs, as necessary, to better service our clients' accounts.

There is no minimum account size required to participate in the Edge Program.

Third-Party Investment Adviser Referral Program

Brokers Financial also acts as a solicitor and refers clients to unaffiliated third-party investment advisers offering asset management and other investment advisory services. As a result, we are paid a portion of the fee charged and collected by the third-party investment adviser in the form of solicitor fees or consulting fees and we pay a portion of that fee to your Advisor. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-1 and applicable state securities rules and regulations.

The actual fee charged for this service will also vary depending on the third-party investment adviser utilized but will generally not exceed 2.65% of your assets under management on an annual basis. The portion retained by Brokers Financial in the form of solicitor fees or consulting fees will not exceed 2.50%. The fee retained by Brokers Financial is negotiable based on factors such as the complexity of services provided and the client's assets under management.

You may incur additional charges including but not limited to, mutual fund sales loads (commissions), 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Brokers Financial will not receive any portion of these additional commissions or fees. We are only compensated by the portion of the solicitor/consulting fee described above. We receive no other compensation in connection with a client's account. When we are able to negotiate lower fees and expenses charged by third parties, all negotiated improvements are for the clients' benefit.

Please be aware that your Advisor may have a conflict of interest by only offering those third-party investment advisers that have agreed to pay a portion of their advisory fee to Brokers Financial. Please refer to *Item 10 – Other Financial Industry Activities and Affiliations* of this Brochure for additional information. It is possible that there may be other third-party managed programs that may be suitable to the client that may be more or less costly. No guarantees can be made that your financial goals and objectives will be achieved. Further, no guarantees of performance can be offered. All investments involve risk, including the possible loss of principal.

Planning and Consulting Services

Financial Planning Services

The fees assessed for financial planning services are either on an hourly or fixed basis, are negotiated between you and your Advisor, and are based on the complexity of the services requested, the amount of research required to provide the services, and the complexity of the financial plan. Fees are negotiable and listed in the Financial Planning and Consulting Agreement. Advisors may charge no more than \$500 per hour for financial planning services on an hourly basis and may charge between \$0 – \$50,000 for financial planning services on a fixed basis. Advisors providing financial planning services on an hourly basis will provide you with an estimated number of hours to provide the services requested on the Financial Planning and Consulting Agreement.

Fees for financial planning services are paid to Brokers Financial and we pay a portion of that fee to your Advisor. The agreed upon fee is either due up front when you sign the Financial Planning and Consulting Agreement, when the financial plan is delivered to you, or one-half of the fee is due when the Financial Planning and Consulting Agreement is signed and the remaining balance is due at when the financial plan is delivered to you. We will not charge more than \$1,200 six or more months in advance of delivering the financial plan.

Hourly Consulting Services

The fees for hourly consulting services are on an hourly basis and negotiated between you and your Advisor. Fees are negotiable and listed in the Financial Planning and Consulting Agreement.

Fees for hourly consulting services are paid to Brokers Financial and we pay a portion of that fee to your Advisor. The agreed upon fee is either due up front when you sign the Financial Planning and Consulting Agreement or you may establish a payment plan (i.e., monthly, quarterly, semi-annually). The Financial Planning and Consulting Agreement automatically terminates one year from the date of execution or upon completion of delivery of services.

Clients should understand that the financial planning or hourly consulting fee the client negotiates with the Advisor may be higher than fees charged by other investment advisors for similar services. This is the case, in particular, if the fee is at or near the maximum fees set out above. The Advisor is responsible for determining the fee to charge each client based on factors such as total amount of assets involved with the relationship, the complexity of the planning services, and the number and range of supplementary advisory and client-related services to be provided. Clients should consider the level and complexity of the planning services to be provided when negotiating the fee with the Advisor.

You may terminate your agreement upon our receipt of your written notice to terminate, however, you will be responsible for any work completed by the Advisor in providing the advisory services or analyzing your particular situation. While financial planning services are prepared with the intention of you implementing recommendations made within the plan through Brokers Financial you are in no way obligated to do so.

Retirement Plan Consulting Services

The Advisor will determine whether to bill the Company for retirement plan consulting services at a pre-determined hourly rate, a fixed fee or based upon a percentage of Plan assets. Fees may be billed quarterly in advance or in arrears. In special circumstances other fee-paying arrangements may be negotiated. The above referenced terms will be disclosed in the client agreement we sign with the Company. Fees for retirement plan consulting services are paid to Brokers Financial and we pay a portion of that fee to your Advisor.

The Company may terminate the written agreement they signed with us within five days of the execution date without penalty. Thereafter, the written agreement may be terminated by us or the Company at any time upon 60 days prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment. If we bill the Company in advance, our fee will be credited back to the Company on a pro-rata basis for the unused portion of the billing period. When we calculate the credit, we will subtract any unbilled work we performed for the Company prior to termination.

Retirement Plan Participant Consulting Services

The fees for retirement plan participant consulting services are either on an hourly or fixed basis, are negotiated between you and your Advisor, and are based on the complexity of the services requested, the amount of research required to provide the services, and the complexity of the written recommendation. Fees are negotiable and listed in the Retirement Plan Participant Consulting Agreement. Advisors may charge no more than \$500 per hour for retirement plan participant consulting services on an hourly basis and may charge between \$0 – \$5,000 for retirement plan participant consulting services on a fixed basis. Advisors providing retirement plan participant consulting services on an hourly basis will provide you with an estimated number of hours to provide the services requested on the Retirement Plan Participant Consulting Agreement. The maximum annual overall fee for Advisors providing Asset Management Services for retirement plan participants is 1.2% which represents a maximum advisor fee of 1% and a 0.2% service fee.

Fees for retirement plan participant consulting services are paid to Brokers Financial and we pay a portion of that fee to your Advisor. The agreed upon fee is either due up front when you sign the Retirement Plan Participant Consulting Agreement, when the written recommendation is delivered to you, or one-half of the fee is due when the Retirement Plan Participant Consulting Agreement is signed and the remaining balance is due at when the written recommendation is delivered to you. We will not charge more than \$1,200 six or more months in advance of delivering the written recommendation.

Clients should understand that the fee the client negotiates with the Advisor may be higher than fees charged by other investment advisors for similar services. This is the case, in particular, if the fee is at or near the maximum fees set out above. The Advisor is responsible for determining the fee to charge each client based on factors such as total amount of assets involved with the relationship, the complexity of the planning services, and the number and range of supplementary advisory and client-related services to be provided. Clients should consider the level and complexity of the planning services to be provided when negotiating the fee with the Advisor.

Other Fees

Custodians also charge fees associated with processing of trades and custody of funds. Common fees include annual account maintenance fees, custodial fees, transaction processing fees, and paper statement delivery fees, wire transfer and electronic fund fees. You should discuss with your financial professional which fees are charged by the custodian as they vary by Custodian. Fees charged by Custodians (Schwab or Pershing, or other) are separate from advisory fees and are billed directly to your account, as authorized.

Additionally, you may incur certain charges imposed by third parties other than Brokers Financial or the Custodian in connection with investments made through the account, including but not limited to, mutual fund sales loads or commissions (although Brokers Financial will typically only use No-Load or Load Waived Mutual Funds in these accounts), 12(b)-1 fees, internal fund expenses for mutual funds and exchange traded funds, and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by us are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

As applicable, please see your sub-adviser's Form ADV, Part 2A, Brochure, or Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure (or other, similar disclosure documents) for additional information regarding respective costs and fees in these accounts.

Program Selection and Conflicts of Interest

Third-party investment advisers recommended by the Firm and its Advisor in exchange for a referral fee may negotiate and pay different fees for client referrals. In theory, this may create incentive for the Firm or the Advisor to recommend certain Third-party investment advisers over others based on our pecuniary interest rather than in the best interest of the client. Please refer to *Item 10 – Other Financial Industry Activities and Affiliations*, and *Item 14 – Client Referrals and Other Compensation* for important additional information regarding our referral arrangements with Third-party investment advisers.

Certain management persons and Advisors of Brokers Financial are separately licensed to sell securities as registered representatives of the Firm's brokerage arm and/or insurance and insurance products as agents of Brokers Financial in its capacity as an insurance agency for which they will receive separate compensation. Please refer to *Item 10 – Other Financial Industry Activities and Affiliations* for additional information.

With respect to client accounts custodied with Pershing, Brokers Financial will serve as the introducing/executing broker as well as investment adviser, for which it will receive additional compensation. Please review *Item 12 – Brokerage Practices* of this Brochure for additional information regarding this arrangement, conflicts of interest that result, and how we seek to address these conflicts.

Brokers Financial is also a participant in Pershing's FUNDVEST® ticket charge program, which offers NTF mutual funds. Our participation in this Program gives rise to certain conflicts of interest when recommending investment programs, custodians and investments to clients that clients should carefully consider. Please refer to *Item 14 – Client Referrals and Other Compensation* for important additional information regarding our participation in this Program and resulting conflicts of interest.

In addition, unless directed otherwise by the client, the portion of each client account custodied with Pershing that is allocated to cash will be automatically "swept" into 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. This arrangement will lower the amount of the interest you will receive on your cash balances and creates conflicts of interest described further at *Item 14 – Client Referrals and Other Compensation* below.

Brokers Financial seeks to mitigate these conflicts of interest by adopting and enforcing 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. 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.

Advice Incidental to Brokerage Service

Brokers Financial is a dually registered broker-dealer and investment adviser. When acting as a securities broker-dealer we may provide securities related advice to brokerage clients, which is incidental to brokerage services for which no special compensation is received other than the customary and usual commissions paid by customers for brokerage services. We make money from retaining a portion of commissions and account services fees offered as a broker-dealer.

Brokerage services and this incidental advice are provided by individuals who are registered representatives of Brokers Financial. Clients only receiving brokerage services from Brokers Financial, including those receiving incidental securities advice from broker-dealer representatives are not considered to be investment advisory clients.

Termination of Services

Program services may be canceled at any time, by either party, for any reason, as set forth in the Investment Management Agreement between Brokers Financial and the client, typically upon receipt of 30-day's written notice to the other party, depending on the advisory service. 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 amount of time remaining in the quarter or month.

Item 6 – Performance-Based Fees and Side-By-Side Management

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

Item 7 – Types of Clients

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

You are required to execute an agreement for services in order to establish a client arrangement with us and/or the sponsor of third-party money manager platforms.

Minimum Investment Amounts Required

There is no minimum account size required to establish or maintain an account in the Edge Program. Brokers Financial does not require a minimum to participate in the Schwab Managed Account Platform; however, TPSAs may impose account minimums or other requirements on opening and maintaining an account. Clients should refer to the TPSA's Form ADV, Part 2A or similar disclosure document for information regarding any required account minimums or other requirements.

With respect to clients referred to a third-party investment adviser through the Third-Party Investment Adviser Referral Program, the third-party adviser or third-party managed program often will require an account minimum, which will vary from investment adviser to investment adviser. Clients should refer to the third-party investment adviser's Form ADV, Part 2A or similar disclosure document for information regarding any required account minimums.

The Firm's wrap fee programs, Wealth Solutions, Retirement Ally and Aspire Wrap, are detailed in a separate Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure. Clients should carefully review the applicable separate Brochure for important additional information regarding minimum account size requirements, and other important information.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Brokers Financial uses the following methods of analysis in formulating investment advice.

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 Advisors use various methods of analysis and investment strategies in the management of client accounts. Methods and strategies 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 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.

Third-Party Investment Advisers – Before engaging a third-party investment adviser as a sub-adviser, we examine the investment adviser's investment philosophies, and past performance, as well as the experience and expertise of certain of the firm's investment personnel in an attempt to determine if the investment adviser has demonstrated an ability to invest reasonably successfully over a period of time and in different economic conditions. We monitor the underlying holdings, strategies, concentrations and leverage of any third-party investment adviser selected as a sub-adviser as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we will survey the investment adviser's compliance and business enterprise risks.

When recommending third-party sub-advisers offered through a program sponsored by another, such as the Schwab Managed Account Program, the Integrity Wealth Risk & Investment Committee typically conducts due diligence with respect to the third-party program sponsor rather than each sub-adviser whose services are offered through the third-party sponsor's program or that are selected through the program to manage all or a portion of a client's account. Under these circumstances, Brokers Financial's due diligence typically will entail, among other things, inquiry into the reasonableness of due diligence processes undertaken by the third-party sponsor in its selection of sub-advisers made available through the program.

A risk of investing with a third-party manager who has been successful in the past is that the firm may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Investment Styles and Strategies

Brokers Financial utilizes several strategies when managing client accounts. Below are some of the investment strategies used in the management of client accounts through the Edge Program.

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 Edge 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.

Use of Primary Method of Analysis or Strategy

Brokers Financial’s primary method of analysis or strategy are Fundamental Analysis and Technical Analysis. Some of the risks involved with using this method include those listed below.

Brokers Financial’s primary strategy involves frequent trading of securities. The frequent trading of securities may have a positive or negative impact on investment performance. Performance from active trading can be lowered due to an increase in brokerage and other transaction costs.

Primarily Recommend One Type of Security

Brokers Financial does not primarily recommend only one type of security.

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.

The Wealth Solutions, Retirement Ally and Aspire Wrap Programs. These Programs are detailed in a separate Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure. Clients should carefully review the applicable separate Brochure for important additional information regarding the methods of analysis, investment strategies and risk of loss associated with the management of client accounts through those Programs, as well as other important information.

Item 9 – 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.

Item 10 – 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. Certain management persons and 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 recommend 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. The potential to earn additional or upfront compensation gives rise to a conflict of interest for Advisors making recommendations to clients. This is because it creates incentive to recommend securities or insurance products based on their own pecuniary interest rather than on the client's best interests. 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.

In addition, Brokers Financial is an indirect wholly owned subsidiary of Integrity Marketing Group. 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 certain investment programs and 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 and 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 Brokers Financial-sponsored programs. Integrity Advisory Solutions' clients should refer to Integrity Advisory Solutions' Form ADV, Part 2A Disclosure Brochure for details regarding its services under this arrangement, associated fees and fee sharing with Brokers Financial.

- 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 supervised persons 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 supervised persons provide notice 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 supervised persons regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Third-Party Investment Advisers

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Brokers Financial has formed referral relationships with certain third-party investment advisers and may recommend that clients work directly with third-party investment advisers, as appropriate. When we refer clients to a third-party investment adviser, we will receive a portion of the fee charged by the third-party investment adviser. Therefore, we have a conflict of interest in that we only recommend third-party investment advisers that agree to compensate us by paying us a portion of the fees billed to your account managed by the third-party investment adviser. We seek to address this conflict of interest by disclosing it to you, and by adopting and enforcing policies requiring that recommendations be provided in the client's best interests. In addition, Brokers Financial seeks to reasonably ensure that referral arrangements entered into with third party investment advisers, for which we receive compensation, are structured to meet the provisions of Advisers Act Rule 206(4)-1.

Please refer to *Item 14 – Client Referrals and Other Compensation* for important additional information regarding our referral arrangements with third-party investment advisers.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

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.

Item 12 – Brokerage Practices

The Custodian and Brokers We Use

Brokers Financial does not maintain custody of your assets (although we may be deemed to have custody of your assets due to certain authority you may provide us with respect to your account (see *Item 15 – Custody*, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

For the Edge Program, clients may select from Pershing, Schwab, Nationwide (each an "approved custodian"), or another qualified custodian. To take advantage of the Schwab Managed Account Program, a client's account must be custodied with Schwab. Brokers Financial is independently owned and operated and not affiliated with any of the qualified custodians.

Clients should consider that only certain of the approved custodians may accommodate the investment program recommended by the client's Advisor. Therefore, clients may pay higher trade execution charges

and/or holding costs through the approved custodians than through custodians that have not been approved by Integrity Advisory Solutions for investment advisory accounts.

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.

In addition, with respect to accounts custodied with Pershing, Brokers Financial will serve as the introducing/executing broker, for which it will receive separate compensation, directly or indirectly. The potential to receive additional compensation creates a conflict of interest when recommending a custodian for the client's account. 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, goals, and the anticipated total cost of the services to the client.

Also, as disclosed at *Item 14 – Client Referrals and Other Compensation*, 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 holding mutual funds that charge 12b-1 fees. 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. Please refer to *Item 14 – Client Referrals and Other Compensation* for more information regarding 12b-1 fees.

When we, or a TPSA, as applicable, 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 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.

How We Select Custodians

We seek to use a qualified custodian who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including but not limited to these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);

- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength, and stability of the provider;
- Their service level with advisers and clients; and
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us”).

Your Custody and Brokerage Costs

Clients are advised that they typically will incur transaction charges when purchasing or selling securities. For some accounts, the custodian may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Clients enrolled in a wrap fee program, such as Wealth Solutions, Retirement Ally or Aspire, generally pay a single fee (or fees) that is considered to cover both advisory fees and most transaction costs. Clients enrolled in the Wealth Solutions, Retirement Ally or Aspire Wrap Fee Programs should refer to the separate Form ADV, Part 2A, Appendix 1, Wrap Fee Brochure for information regarding the brokerage practices of those programs.

As discussed above, Brokers Financial will also receive direct or indirect compensation for acting as executing broker with respect to accounts custodied with Pershing.

Qualified custodians generally are compensated by charging you ticket charges or other fees on trades that it executes or that settle into your account. 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 benefit you because the overall charges and fees on trades may be lower than they would have if we had not made the commitment. It also gives rise to a conflict of interest by creating incentive to recommend these custodians to reach these threshold levels and to lower trading costs with respect to wrap fee programs for which Brokers Financial is responsible.

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.

Clients may pay ticket charges higher than those obtainable from other broker-dealers in return for those products and services. Ticket charges and fee structures of various broker-dealers are periodically reviewed to ensure clients are receiving best execution. Accordingly, while Brokers Financial will consider competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. Therefore, the overall services provided by the broker-dealer are evaluated to determine best execution.

Clients should consider that only some of the approved trading platforms may accommodate the investment strategy recommended by the client's Advisor and that our Advisors are limited in their ability to obtain the best execution price and lowest execution costs for each transaction or the product with the lowest internal expenses. Therefore, clients may pay higher trade execution charges through the trading platforms approved by Brokers Financial than through platforms that have not been approved by Brokers Financial as trading platforms for investment advisory accounts.

Not all investment advisers restrict or limit the broker-dealers their clients can use. Some investment advisers permit their clients to select any broker-dealer of the client's own choosing.

Brokerage for Client Referrals

Brokers Financial does not receive client referrals from third parties in exchange for recommending the use of specific custodians or broker-dealers.

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 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. Brokers Financial seeks to address this conflict of interest by disclosing it to you, and by making a number of investment programs available to clients, including programs that are offered through custodians other than Pershing. 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. In addition, a disparity in commission charges will likely exist between the commissions charged to the client and those charged to other clients whose accounts are custodied with a different broker-dealer. 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.

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.

Handling of Trade Errors

Brokers Financial has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Brokers Financial to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Brokers Financial if the error was caused by the Firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain.

Brokers Financial may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

For trade errors occurring in Brokers Financial/Pershing accounts, Brokers Financial may retain gains resulting from correcting a trade error that are not retained by the client and in some instances, may use such gains to offset overall losses Brokers Financial incurs from trading errors.

For trade errors occurring in Schwab accounts, Schwab may maintain gains resulting from correcting a trade error that are not retained by the client and in some instances, may use such gains to offset overall losses Brokers Financial incurs from trading errors.

Block Trading Policy

Transactions implemented by Brokers Financial for client accounts are generally affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and is used by Brokers Financial when we believe such action may prove advantageous to clients. When Brokers Financial aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will typically be allocated among the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day.

Notwithstanding the above, a sub-adviser directly managing a client's account will be unable to aggregate trades with those placed in accounts directly managed by a Brokers Financial Advisor, nor can a Brokers Financial Advisor aggregate trades placed in accounts they directly manage with those placed by a sub-adviser. Trades entered in the accounts of clients that have directed the use of a particular broker/custodian also can only be aggregated with other client trades placed with the same broker/custodian. Moreover, each sub-adviser will only have the ability to aggregate trades for Firm clients it provides sub-advisory services for. Also, trades may only be aggregated with respect to clients enrolled in the same investment program.

Consequently, the same securities purchased or sold on the same day in multiple client accounts may receive different execution prices that are more or less favorable than the prices other clients receive.

As applicable, clients should refer to the disclosures of any sub-adviser to their account(s) for information regarding the sub-adviser's trade aggregation practices.

Implementation of Financial Planning or Consulting Recommendations

Clients are under no obligation to act on the financial planning or consulting recommendations of Brokers Financial. Certain Brokers Financial Advisors are also registered representatives of Brokers Financial in our capacity as a securities broker-dealer. Advisory clients can have commission-based Brokers Financial brokerage accounts for which Brokers Financial Advisors serve as registered representative. Registered representatives of Brokers Financial are required to use the services of Brokers Financial and its approved clearing broker-dealers when acting in their capacity as registered representatives. Brokers Financial serves as the introducing broker-dealer. All accounts established through Brokers Financial as a broker-dealer will be introduced to Pershing, LLC for transaction execution, transaction clearance, and account custodial services.

As a securities broker-dealer, Brokers Financial has a wide range of approved securities products for which we have performed due diligence prior to our selection. Our registered representatives are required to adhere to these products when implementing securities transactions through Brokers Financial. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker-dealer.

Item 13 – Review of Accounts

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 or, as applicable, the sub-adviser'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.

Financial planning services terminate upon presentation of the written plan. Therefore, no reviews are conducted for these accounts. If clients elect to have a review and update to an original financial plan, additional fees may be charged and clients may be required to sign a new client agreement.

Statements and Reports

Clients will receive statements at least quarterly from the custodian at which their accounts are maintained. Clients receiving the Financial Planning Service will receive a written financial plan no later than 6 months after signing a Financial Planning Services Agreement.

Item 14 – 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 firms 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 solicitor disclosure statement and Form ADV Part 2, or similar disclosure brochure, which discloses the specific details of the referral arrangement and the fees that are paid.

Other Compensation and Economic Benefits

Cash Sweep Vehicle

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 eligible 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. If you have on deposit through the Cash Sweep Program cash that exceeds this amount, the excess amount will not be insured by the FDIC. 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/administrator (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 option "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 products "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, and some offer lower revenue sharing amounts, for example, 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 other 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 Participant 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.

Clients 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.

Neither Brokers Financial nor its Advisors 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 mutual 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.

Brokers Financial seeks to mitigate this conflict of interest by disclosing it to you, by providing investment advice without regard to the revenue we may receive under this arrangement, by making a number of investment programs available, including some through custodians other than Pershing, and by adopting written policies and procedures reasonably designed to ensure that Advisors make recommendations in the best interests of clients, and consistent their investment objectives.

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

We receive certain economic benefits from Pershing and Schwab in the form of the support, products and services made available to us and other independent investment advisers that have their clients maintain accounts with them. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

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.

Item 15 – Custody

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. Under applicable regulatory interpretations, we are deemed to have custody of your assets when you authorize us to instruct the qualified Custodians to deduct our advisory fees directly from your account. Certain clients also have established standing letters of authorization (SLOAs). SLOAs established by clients also may result in Brokers Financial being deemed to have custody under certain circumstances described below. Please note that authorization to trade in a client's account is not deemed by regulators to be custody.

Approved qualified custodians maintain actual custody of your assets. For accounts in which Brokers Financial is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or a duly authorized independent representative of the client will direct, in writing, the establishment of all accounts and therefore become aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Brokers Financial or any other source. When clients have questions about their account statements, they should contact their Advisor, Brokers Financial or the qualified custodian preparing the statement.

Pursuant to an SLOA, a client may instruct their account custodian in writing to accept instructions from Brokers Financial to direct funds from the client's account to specific accounts of the client ("First Party SLOA") or to third-parties unrelated to Brokers Financial and its Advisors ("Third-Party SLOA"). Brokers Financial reviews each SLOA prior to acceptance to ensure it meets the following requirements.

First Party Standing Letters of Authorization.

Under applicable SEC guidance, Brokers Financial may accept First Party SLOAs without being deemed to have custody if the First Party SLOAs meet the following criteria:

- a. It is authorized by the client.
- b. A copy of the authorization is provided to the qualified custodians.
- c. It clearly specifies the name and account numbers (including ABA routing numbers) on the sending and receiving accounts and the qualified custodian holding each of those accounts.
- d. It identifies the accounts as belonging to the client.

Third-Party Standing Letters of Authorization.

When clients establish Third-Party SLOAs, Brokers Financial is be deemed to have custody of such clients' funds under applicable federal law. Under applicable SEC guidance, Brokers Financial may accept such custody without the requirement that it engage an independent public accountant to conduct an annual surprise examination of such accounts if the SLOAs meet the criteria set forth below.

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

Brokers Financial has adopted written policies and procedures reasonably designed to ensure that the Firm seeks to satisfy the above criteria with respect to any client's Third-Party SLOA.

Item 16 – Investment Discretion

As a part of our Investment Management Agreement, accounts are considered discretionary accounts which means we or your Advisor has the authority to buy or sell securities without obtaining your approval prior to each transaction. Your Advisor must meet our qualifications before they can exercise discretion over your account. Your Advisor is required to tell you if they are using discretion on your account.

You can place reasonable restrictions on the types of investments that are purchased in your Edge Program account. You may also place reasonable limitations on the discretionary power granted to your Advisor if the restrictions and limitations are specifically set forth in writing or included as an attachment to the appropriate client agreement. Please note that any restriction or limitation you impose could affect the performance of your account. Discretionary authority remains in place until you or we terminate the relationship. You may also designate your account as nondiscretionary which means that you make the ultimate decision regarding the purchase or sale of investments.

Item 17 – 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 our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 18 – Financial Information

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.