

**FORM ADV PART 2 A  
DISCLOSURE BROCHURE**

**Principal Place of  
Business:**

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This brochure provides information about the qualifications and business practices of Turner Financial Group, Inc. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 850-995- 1797. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Turner Financial Group, Inc. (CRD #134204) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**March 8, 2024**

**Item 2: Material Changes**

**Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

**Material Changes since the Last Update**

Since the last update on March 27, 2023, the following has been updated:

- The Firm has named Michael Anthony Dardis as the Chief Compliance Officer.
- Item 4 – Advisory Business: Updated TFG’s assets under management.
- The Firm is no longer affiliated with Income Advisors USA, LLC, an insurance company.
- The Firm was approved as an SEC registered firm effective November 3, 2023
- Firm added three DBA entities known as GF Thomas Advisory Group, Seelan Wealth Strategies, LLC., and Andalus Capital, LLC. Please see Item 4 Advisory Business below for more detailed information.

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### **Firm Description**

Turner Financial Group, Inc. (“TFG” or “Firm”) was organized in May of 2001 and approved as a registered investment adviser in April of 2005. The firm was previously owned by Benny M. Turner and Gracie L. Turner. In July of 2021, the firm was purchased by Noble Alpha, LLC. Noble Alpha, LLC is owned by Andrew Tang. TFG also maintains two other office locations, doing business as (DBA):

Turner Financial Group, Inc., DBA GF Thomas Advisory Group  
 4040 Civic Center Drive, Suite 200  
 San Rafael, CA 94903  
[www.gfthomasadvisory.com](http://www.gfthomasadvisory.com)  
 Phone 415-459-5150  
 Fax = 415-459-5158

Turner Financial Group, Inc., DBA Seelan Wealth Strategies, LLC  
 8023 East 63rd Place, Suite 540,

## Types of Advisory Services

### **PERSONAL FINANCIAL PLANNING SERVICES**

TFG offers Concierge Planning Services as well as Comprehensive Planning Services. Other advisory services are available on an ad hoc basis.

**Concierge Financial Planning Services.** This level of financial planning may include identification and analysis of financial problems, legacy planning, retirement planning, cash flow and income planning, social security planning, insurance & risk management planning, investment planning (securities), tax planning, trust funding, college planning and/or any number of individualized projects as requested by Clients. Concierge Planning Services can be further differentiated by goals as follows:

- **Financial Project.** A Financial Project provides an individual snapshot of one or more of the specific project areas listed above. Several Financial Projects can be provided as part of a single engagement.
- **Financial Plan.** This includes multiple Financial Projects based on individual Client needs and is integrated into a panoramic wide-angle snapshot of a Client's broader financial positions and concerns. Goals are to reveal where one is financially and how one came to be there, as well as to suggest corrective actions designed to "change the financial picture". While the resulting "Wide-Angle Financial Snapshot" denotes something larger and potentially more useful than the individual Financial Projects used to construct it (in the same way that a photo album is larger and potentially more useful than a single snapshot), it nonetheless remains a snapshot addressing only one point in a client's financial history.
- **Comprehensive Financial Planning Services.** In contrast to Concierge Planning, Comprehensive Planning is a dynamic series of on-going decisions and actions based on complex interactions between Clients and their advisors. Thus, rather than describing a point
  - in time that involves only the Client, Comprehensive Financial Planning describes a process that takes place over time involving multiple interactions between the Client and his/her advisors.

Comprehensive Financial Planning includes integrating multiple Client related individual Financial Projects (or snapshots) into a well-crafted Wide-Angle Financial Snapshot (Plan) which is dynamically implemented with periodic reviews and modifications designed to keep it in sync with the ever-changing landscape of an individual's financial and personal life.

- **Implementation.** Implementation adds transformative "action" to the planning process, "morphing" it from a powerless moment in time to a powerful action movie where change is actualized as the characters move through life. Implementation of a well-crafted financial plan is "the difference that makes a difference."
- **Annual Review.** At the Client's discretion, an annual review and plan update is available.
- **Optimizer Service.** TFG will review and analyze investment options available to Clients within their employer provided retirement accounts (401a, 401k, 403b, 457, etc.), self-directed investment or educational accounts (variable annuities, 527 plans, etc.), and make written account rebalancing recommendations quarterly (twice annually for 527 accounts); or more often if market conditions suggest it. Clients are responsible for trading or not trading their accounts as they believe appropriate. Recommendations are intended to help Clients minimize their risk while taking advantage of changing market conditions and trends by optimizing their potential for growth using only the limited investment options available to them within their employer provided retirement accounts.

As a fiduciary, if a conflict of interest exists between the interests of the TFG and the interests of the Client, TFG will recommend what is in the best interest of the Client. However, the Client should be aware that they are under no obligation to act upon the TFG's recommendation. The Client is under no obligation to affect the transaction through any recommendation made by TFG. Financial plans will generally be completed and delivered within ninety (90) days.

### **ASSET MANAGEMENT SERVICES**

TFG offers discretionary direct asset management services to advisory Clients. Precision Portfolio Solutions uses various model portfolios designed and implemented by TFG and is designed to provide professional management of Client portfolios at a competitive cost.

TFG will offer Clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize TFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

**Portfolio Design and Construction.** Portfolio models are made up of two types of accounts; accounts designed to *primarily* provide growth and accounts designed *primarily* to provide safety and income. Types of financial tools used to populate the two account types can be quite different from one another as noted below.

- **Accounts Primarily Designed to Provide Growth.** Growth models are generally constructed using financial tools designed to promote capital appreciation.
- **Accounts Primarily Designed to Provide Principal Preservation and Income.** Principal preservation and income models generally are constructed using a combination of tools designed to limit investment risk and/or provide income.
- TFG also provides **sub-advisory services** and provides customized investment advisory solutions to third party unaffiliated investment advisers. TFG works with each third-party unaffiliated investment adviser to identify appropriate investment mandates as well as risk tolerance in order to create a portfolio allocation or set of allocations using investment strategies. TFG will have responsibility for:
  - Individualized client investment portfolio analysis and proposal generation.
  - Initial allocation trade instructions based upon the client's investment objective, risk tolerance, time horizon and taxation needs.
  - Ongoing analysis of accounts to ensure client allocations continue to meet the client's investment goals, objectives, risk tolerance and cash needs. Necessary adjustments are made via trade instructions.
  - Assist with client meetings and reviews.

In addition, TFG will also offer the following services to third party unaffiliated investment advisers:

1. Administration and aggregation
2. Administration for accounts managed.
3. Proposal generation

TFG will provide a questionnaire or similar tools to third party unaffiliated investment adviser in order to determine the Client's risk profile, investment time horizon, financial circumstances and investment objectives. TFG will calculate advisory fees and monitor compliance with the client's profile.

TFG also offers non-discretionary asset management services to Clients on **assets not held with TFG's custodian**. TFG will meet with the Client for information gathering initially and then every quarter thereafter for review and recommendations. TFG will review the investment options available within the account and make investment recommendations to the Client based on the investment options available and the Client's financial objectives. It is ultimately the Clients' decision to execute the recommendations made by TFG.

## **SELECTION OF OTHER ADVISERS**

TFG may at times utilize the services of third-party money managers to manage Client accounts. In such circumstances, TFG receives referral fees from the third-party money manager. TFG acts as the liaison between the Client and the third-party money manager in return for an ongoing portion of the advisory fees charged by the third-party money manager. TFG is responsible for:

- Helping the Client complete the necessary paperwork of the third-party money manager.
- Providing ongoing support services to the Client.
- Updating the third-party money manager with any changes in Client status which is provided to TFG by the Client.
- Reviewing quarterly account statements provided by the third-party money manager; and
- Delivering the Form ADV Part 2, Privacy Notice and any other required documents of the third-party money manager to the Client.

Clients placed with third party money managers will be billed in accordance with the third- party money manager's fee schedule which will be disclosed to the Client prior to signing an agreement. When referring Clients to a third-party money manager, the Client's best interest will be the primary determining factor for the TFG. TFG acts as the liaison between the Client and the third-party money manager in return for an ongoing portion of the advisory fees charged by the third-party money manager. TFG helps the Client complete the necessary paperwork of the third-party money manager,

provides ongoing services to the Client, will provide the third-party money manager with any changes in Client status as provided to TFG by the Client and review statements provided by the third-party money manager on a quarterly basis.

These practices represent conflicts of interest because TFG is paid a Referral Fee for recommending the third-party money managers and may choose to recommend a particular third-party money manager based on the fee TFG is to receive. This conflict is mitigated by disclosures, procedures, and the TFG's Fiduciary obligation to act in the best interest of Clients. Clients are not required to accept any recommendation of third-party money managers given by TFG and have the option to receive investment advice through other money managers of their own choosing.

For example, TFG has entered into a Referral Arrangement/Contract with Absolute Capital Management, LLC (ABSCAP) CRD# 121484 and reviews the same on an annual basis. TFG recommends some of our clients engage Absolute Capital Management, LLC "Absolute Capital" to manage all or a portion of their assets. Absolute Capital offers the programs below.

***The Funds.*** A Client Account investing in portfolios that consist solely of the Absolute Capital Mutual Funds ("the Funds"), a group of mutual funds managed by the Absolute Capital.

***Investment Management.*** Client will authorize Absolute Capital with discretionary authority to allocate the account into the investment options available at the custodian that are consistent with the Program(s) the client has selected and to continue to make reallocations according to the Program strategy over time. Clients have the authority to impose reasonable restrictions on Absolute Capital's management of their accounts.

## **SEMINARS AND WORKSHOPS**

TFG holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given at these workshops, nor are financial products discussed. The workshops are intended to help individuals better understand general principles and concepts important to financial planning.

## **Wrap Fee Programs**

TFG does not sponsor any wrap fee programs.

## **Client Assets under Management**

As of December 31, 2023, TFG has assets under management with \$ 115,066,597 on a discretionary basis and \$ 677,191 on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### **Method of Compensation and Fee Schedule**

#### **PERSONAL FINANCIAL PLANNING**

##### **SERVICES**

Financial planning fees and scope of engagement will be agreed to in writing prior to beginning the planning process or providing services. Fees are payable in advance at the time both parties sign the agreement. All work will generally be completed, and the plan delivered within ninety (90) days from the date of the signed agreement.

During the first ninety (90) days after signing the Financial Planning Services Agreement, the agreement may be canceled by the Client for any reason. Under this provision, a Client may receive a 100% refund of all hourly and/or project fees paid under the agreement when the following

conditions are met: The Client must deliver a written notice of cancellation to TFG prior to the intended date of cancellation, and return all materials received up to and including the date of cancellation.

**Concierge Financial Planning Services.** Fees for this service are negotiable and may be charged at an hourly rate of \$150 to \$350 per hour or at a flat rate ranging from \$297 for a single Financial Project to \$4,997 for multiple Financial Projects depending on the depth and range of services requested, the complexity of the situation, and the estimated number of hours required to complete. TFG may, at its discretion, negotiate other fee-paying arrangements.

**Comprehensive Financial Planning Services.** Fees for the initial financial plan are negotiable and can range from a minimum of \$597 to \$4,997 depending on the depth and range of services requested, the complexity of the situation, and the estimated number of hours required to complete.

**Annual Review.** At Client's discretion, an annual review and plan update of financial plans is available for a flat fee ranging from \$250-\$1,500 based on how extensive an update is required.

Ongoing services will remain in effect year over year unless cancelled in writing by either party by giving the other party thirty (30) days written notice. Client may terminate the Agreement within five (5) business days with no obligation and without penalty.

#### **ASSET MANAGEMENT**

TFG offers discretionary asset management services to advisory Clients. Fees are negotiable and made solely at TFG's discretion, based on such factors as prior or anticipated investment activity, current or prior relationship, account holdings, or any other condition deemed appropriate by TFG. The fees for these services will be based on a percentage of assets under management and will not exceed 2% annually TFG does not household accounts. Fees will be charged in accordance with the agreement signed by each client.

TFG also imposes an additional administrative fee of up to \$7.25 per account per month. The fee includes administration, portfolio aggregation, billing, compliance, or proposal generation. This fee is also negotiable based on the same criteria listed above.

For legacy and grandfathered accounts, Clients may be charged fees in accordance with the client agreement executed at the beginning of their relationship. These fees may differ from the current fee schedule as noted above. TFG manages these legacy Client accounts for a percentage of the assets under management as follows:

<b>Individual or Household Assets Under Management</b>	<b>Annual Management Fee</b>	<b>Monthly Management Fee</b>
\$1 to \$250,000	1.75%	0.146%
\$250,000 to \$500,000	1.55%	0.129%
\$500,000 to \$750,000	1.35%	0.113%
\$750,000 to \$1,000,000	1.15%	0.096%
\$1,000,000 to \$2,000,000	0.95%	0.079%
\$2,000,000 and Above	0.75%	0.063%

For legacy and grandfathered accounts, TFG defines household as all persons sharing the same household to include joint accounts, trust account, retirement accounts and any other accounts where there is beneficial ownership.

For accounts held at Jefferson National, fees are billed monthly in arrears based on the amount of assets managed as of the close of business on the last business day of each month. For accounts held at Folio Institutional, the account value used for calculation is equal to the combined average daily balance of all the accounts during the billing period. For accounts held at Kingdom Trust or Community National Bank, Monthly advisory fees will be paid directly from Client accounts by respective custodians. All fees deducted from the Clients' accounts by our custodians will be reflected in an advanced fee notice provided to each Client prior to fees being withdrawn. The fees must be paid within ten (10) days following the conclusion of the month for which the account is being billed. Lower fees for comparable services may be available from other sources. Clients may terminate their account(s) within five (5) business days of signing the Investment Advisory Agreement with no obligation and may terminate advisory services at any time with written notification. Upon account termination, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. In the latter circumstance, the monthly fee will be prorated based on the number of days the account was active during the month and Client(s) will receive a statement for direct payment of fees for that number of days.

TFG will be entitled to a pro rata fee for the days service was provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees. Client will acknowledge, in writing, any agreement for an increase in said fees before any increase in fees occurs.

For sub-advised accounts on an account-by-account basis for a percentage of the assets under management as follows:

<b>Individual Assets Under Management</b>	<b>Annual Management Fee</b>
Up to \$50,000,000	0.30%
\$50,000,000 to \$150,000,000	0.25%
\$150,000,000 to \$300,000,000	0.20%
\$300,000,000 to \$500,000,000	0.15%
\$500,000,000 +	0.10%

The fees do not include administration, portfolio aggregation, billing, compliance, or proposal generation. (These services are provided at a separate cost of \$7.25 per account per month and 15 basis points of assets annually). For assets over \$300,000,000 the asset-based fee will drop to 7.5 basis points annually.

All fees are charged in accordance with clients' agreements (monthly or quarterly) with the primary adviser.

TFG is compensated directly by the third-party unaffiliated investment adviser with a portion of their investment management fee, as per the duly executed Sub-Advisory services agreement. The third-party unaffiliated investment adviser who engages TFG as a Sub-advisor shall be responsible for billing their Clients and collecting all fees.

Clients may terminate their account within five (5) business days of signing the Investment Advisory



Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. For accounts opened or closed mid-billing period, fees will be prorated based on the number of days services are provided during the given period. All unpaid earned fees will be due to TFG. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in fees occurs.

### **SELECTION OF OTHER ADVISERS**

TFG may at times utilize the services of third-party money managers to manage Client accounts. In such circumstances, TFG receives referral fees from the third-party money manager.

Clients placed with third party money managers will be billed in accordance with the third- party money manager's fee schedule which will be disclosed to the Client prior to signing an agreement. When referring Clients to a third-party money manager, the Client's best interest will be the primary determining factor for the TFG.

These practices represent conflicts of interest because TFG is paid a referral fee for recommending the third-party money managers and may choose to recommend a particular third-party money manager based on the fee TFG is to receive. This conflict is mitigated by disclosures, procedures, and the TFG's Fiduciary obligation to act in the best interest of Clients. Clients are not required to accept any recommendation of third-party money managers given by TFG and have the option to receive investment advice through other money managers of their own choosing.

For example, TFG recommends some of our clients engage Absolute Capital Management, LLC "Absolute Capital" to manage all or a portion of their assets. Absolute Capital offers the programs below.

**The Funds.** As investment advisor to the Funds, Absolute Capital receives investment management fees of up to 1.15% per year, paid by the Funds, for managing the investments of the Funds. Absolute Capital receives no fees directly from the Client for providing investment management services under this Agreement to the Client. For Client assets introduced by TFG, Absolute Capital will pay TFG 0.425% annually. Clients do not pay any additional fees to Absolute Capital as a result of such an arrangement.

The management fees paid by the Funds to Absolute Capital are accrued daily and paid quarterly in arrears and are in addition to other fees and expenses incurred by shareholders. Minimum account size: \$30,000.

**Investment Management.** Fees for Investment Management Accounts will be based on the chart below:

Assets Under Management	Total Annual Management Fee	TFG Annual Fee	Absolute Capital Annual Fee
\$1 to \$100,000	1.95%	0.975%	0.975%
\$100,000 to \$250,000	1.75%	0.875%	0.875%
\$250,000 to \$500,000	1.55%	0.775%	0.775%
\$500,000 to \$750,000	1.35%	0.675%	0.675%
\$750,000 to \$1,000,000	1.15%	0.575%	0.575%
\$1,000,000 to \$2,000,000	0.85%	0.425%	0.425%
\$2,000,000 and Above	0.65%	0.325%	0.325%

Fees are payable quarterly in advance and automatically deducted from each client's account(s). The initial fee is calculated as a percentage of the market value of the managed assets in the account as of the Acceptance Date and is pro-rated up to the first of the month of the next billing cycle. Fees for subsequent periods will be calculated on the first of the month. For these periods, the fee will be calculated as a percentage of the market value of the Managed Assets in the Client's Account as reported by the Custodian as of the last day of the month immediately prior to the billing date.

For third party Investment Managers' referrals, the details of the fee structure will be disclosed to the Client prior to signing any investment advisory agreement and the Client will receive a copy of third- party advisor's Form ADV Part 2. More information is available in Item 10 of this brochure.

For our non-discretionary asset management services where Clients' assets are not held by TFG's custodian, fees are based on a percentage of the total annual account value not to exceed 1.95%. Payment is due upon invoice delivery. Client may pay either from an account managed by TFG or may remit separate payment directly to TFG.

Client may cancel within five (5) business days of signing the Agreement with no obligation. If the Client cancels after five (5) business days, TFG is due a pro-rata fee based on the amount of work completed. Client shall be given thirty (30) days prior written notice of any increase in fees, and Client will acknowledge, in writing, any agreement of increase in said fees.

### **SEMINARS AND WORKSHOPS**

The fees charged for the educational seminars/workshops TFG conducts can range from \$0 to \$125 per attendee or \$175 per household (with a maximum of two attendees per household.) Fees are determined based on the length of the workshop, the complexity of the information being taught, the volume of printed information provided, and the number of expected workshop participants.

### **Client Payment of Fees**

Upon engagement, TFG will charge clients an investment management fee for its investment advisory services. The investment management fee is an annual fee based on a percentage of the value of the client's assets under management, including all cash and other assets in the account (valued at liquidation value) (the "Account Value"), as follows:

The maximum annual management fee for TFG is 2% per annum. The investment management fee charged is subject to negotiation with each client based on the client's characteristics and may differ from client to client. We take into consideration factors such as account size, overall range of services provided, financial adviser working with the account, and geographic location. Lower fees for comparable services may be available from other sources. TFG deducts its fees on a monthly or quarterly basis in arrears.

Fees for financial plans are due upon signing of the agreement. TFG may, at its discretion, negotiate other arrangements for payment of planning fees.

Fees for the Optimizer Service will be billed quarterly in advance.

Clients pay third party money managers' investment advisory fees. Prior to signing an investment advisory agreement, the method of payment will be disclosed in the third-party money manager's Form ADV Part 2.

### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transaction fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations).

TFG, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). For more details on - brokerage practices, see Item 12 of this brochure.

### **Prepayment of Client Fees**

TFG charges financial planning fees in advance and the estimated plan fee is due at the time the Financial Planning Services Agreement is signed. Fees for the Optimizer Service will be billed quarterly in advance. Investment management fees are billed monthly in arrears except where disallowed by a specific custodian.

### **External Compensation for the Sale of Securities to Clients**

Some persons providing investment advice on behalf of TFG are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including

insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of TFG who are insurance agents have an incentive

to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with TFG.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

TFG does not use a performance-based fee structure because of the conflict of interest this structure creates. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client.

## **Item 7: Types of Clients**

### **Description**

TFG generally provides investment advice to individuals, families, and high net worth individuals. Client relationships vary in scope and length of service.

### **Account Minimums**

TFG does not require a minimum deposit to open an account. However, we do charge an administrative fee of up to \$7.25 per account per month. Also, it should be noted that some third- party money managers utilized by TFG may require a minimum account size to open on their platform.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

TFG uses the varying methods of analysis identified below to determine the proper investment strategy for each client. Our strategies are heavily based on each client's personal circumstances, financial goals, and their risk tolerance. We utilize a blend of strategic approaches and strategies that enable us to allocate client assets by liquidity and time horizon.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that markets react in cyclical patterns which, once identified, can be leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical

risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

In the implementation of its analysis, TFG may use some or all of the following strategies at any given time:

**Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Short Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains. This difference in tax treatment is a disadvantage of short-term trades for taxable Clients.

**Short Sales** – securities transactions in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price. The risk associated with a short sale is the potential of unlimited loss should the underlying value of the short position increase in value instead of the anticipated decline. Another risk is buy-in risk. Once borrowed, the shares are subject to buy-in at any time, which could force the Client to cover the short position at a disadvantageous time or price. Short sales require the use of margin, which may increase cost and risk. Additional costs include interest on the value of borrowed securities. TFG does not do short sales or trade on margin. However, we may from time-to-time use short, leveraged or inverse ETFs in certain market situations where it seems prudent to do so.

**Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. This allows the Client to purchase more stock than they would otherwise be able to, based on the account's available cash, and would allow the Representative to purchase stock without selling other holdings, which is therefore a higher risk strategy. Securities purchased on margin are subject to liquidation, additional margin calls, and interest on the funds borrowed. Should the value of the securities decline, Clients may be forced to deposit additional margin with limited notice, or to liquidate their securities at substantial losses. TFG does not do short sales or trade on margin. However, we may from time-to-time use short, leveraged or inverse ETFs in certain market situations where it seems prudent to do so.

**Option Purchases and Option Writing** – Purchasing a long option gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor writes (or sells) an option, he or she is obligated to deliver to the buyer of the option a specified number of shares (or the calculated money difference) if the buyer exercises the option. The seller receives a premium in exchange for writing the option. Options are wasting assets and expire at pre-determined dates.

**Short Sales and Margin.** We do not do short sales or trade on margin. However, we may from time-to-time use short, leveraged or inverse ETFs in certain market situations where it seems prudent to do so.

### **Security Specific Material Risks**

All investments bear different types and degrees of risk. While our investment strategies are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments generally means accepting higher levels of risk. Our investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about investment risks they do not understand.

While we strive to render our best judgment on behalf of our Clients, we cannot guarantee that investments will be profitable or that no losses will occur in any investment portfolio. Past performance is an important consideration with respect to any investment but is not a reliable predictor of future

performance. We continuously strive to provide moderate long- term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with TFG:

- [?] *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 today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- [?] *Prepayment Risk:* The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- [?] *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- [?] *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:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- [?] *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.
- [?] *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk to profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- [?] *Short-term purchases:* Short-term investments are typically held for one year or less. Generally, there is not a high expectation for a return or an increase in value. Typically, short- term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- [?] *Trading on Margin:* In a cash account, the risk is limited to the amount of money that has been invested. In a margin account, risk includes the amount of money invested plus the amount that has been loaned. As market conditions fluctuate, the value of marginable securities will also fluctuate, causing a change in the overall account balance and debt ratio. As a result, if the value of the securities held in a margin account depreciates, the Client will be required to deposit additional cash or make full payment of the margin loan to bring account back up to maintenance levels. Clients who cannot comply with such a margin call may be sold out or bought in by the brokerage firm.
- [?] *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses.

Risk Factors relevant to specific securities utilized include:

- **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.
- **Exchange Traded Notes (“ETN”):** ETNs are senior unsecured debt obligations of an issuer, typically a bank or another financial institution; however, ETNs are not categorized as typical fixed income products. They have a maturity date and are backed only by the credit of the underwriting bank. ETNs are linked to the performance of a particular market benchmark(s) or strategy and upon maturity, the underwriting bank promises to pay the amount reflected in the benchmark index minus fees. ETNs are only linked to the performance of a benchmark, they do not actually own the benchmark index. ETNs also face the risk that the credit rating of the underwriting bank may be reduced, or the underwriting bank may go bankrupt, thus
  - reducing the value of the ETN. Even though ETNs are not equities or index funds, they may face some of the risks of investing in equities or index funds.
- **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 because 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 because of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- **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.
- **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 sales loads), (ii) 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.

- **Options and Other Derivatives:** Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.
- **Private Placements:** Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.
- **Real Estate Related Securities Risk:** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible
  - lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts (“REITs”) involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.
- **Small Capitalization Companies:** A portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact Client portfolios.
- **Large Company Risk:** Large cap stocks can perform differently from other segments of the equity market or from the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies.
- **Short Sales, Leverage and Derivatives:** Short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investment suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions can also be subject to a “short squeeze” that could lead to accelerating losses for those short that particular security. TFG does not do short sales or trade on margin. However, we may from time-to-time use short, leveraged or inverse ETFs in certain market situations where it seems prudent to do so.

Special Note: Investing in securities involves risk of loss that Clients should be prepared to bear if they choose to invest in the securities markets. Each Precision Portfolio Solution is differentiated by risk categories applied to the process when constructing and managing the portfolio.

## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

TFG and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

TFG and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

TFG and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of TFG or the integrity of its management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Broker-Dealer or Representative Registration**

Neither TFG nor any of its employees are registered representatives of a broker-dealer.

### **Futures or Commodity Registration**

Neither TFG nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity-trading advisor.

**Material Relationships Maintained by this Advisory Business and Conflicts of Interest** Some persons providing investment advice on behalf of TFG are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of TFG who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with TFG.

**Recommendations or Selections of Other Investment Advisers and Conflicts of Interest** TFG may at times utilize the services of third-party money managers to manage Client accounts. These practices represent conflicts of interest because TFG is paid a Referral Fee for recommending the third-party money managers and may choose to recommend a particular third-party money manager based on the fee TFG is to receive. This conflict is mitigated by disclosures, procedures, and the TFG's Fiduciary obligation to act in the best interest of Clients. Clients are not required to accept any recommendation of third-party money managers given by TFG and have the option to receive investment advice through other money managers of their own choosing.

TFG has entered into a Referral Arrangement/Contract with Absolute Capital Management, LLC (ABSCAP) CRD# 121484 and reviews the same on an annual basis.

TFG and Bridges Capital LLC (a Registered Investment Adviser with the SEC) entered into a product service agreement wherein each respective party provides reciprocal platform services to include Charles Schwab Corporation ("Schwab"). Please refer to Item 12 (Brokerage Practices) for more details.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Code**

### **of Ethics Description**

The employees of TFG have committed to a Code of Ethics ("Code"). The purpose of this Code is to set forth standards of conduct expected of TFG associated persons and addresses conflicts that may arise in the day-to-day discharge of their duties. The Code defines acceptable behavior for employees of TFG and reflects TFG's and its supervised persons' responsibility to act in the best interest of our Clients.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with the fiduciary duty owed to our Clients. Thus, no employees are allowed to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

TFG's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No Investment Advisor Representative or other employee, officer or director of TFG may recommend any transaction in a security or its derivative to advisory Clients or engage in personal



securities transactions for a security or its derivatives if the individual possesses material, non-public information regarding the security.

TFG's Code is based on the guiding principle that the interests of the Client are our top priority. TFG's officers, directors, advisors, and other employees have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who might have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest** TFG and its employees do not recommend to Clients securities in which we have a material financial interest.

**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest** TFG and its employees may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide TFG with copies of their brokerage statements.

The Chief Compliance Officer of TFG is Michael Anthony Dardis. Mr. Dardis is responsible for administering the Firm's Code of Ethics and monitoring trading activity by all affiliated persons. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that Clients of the firm receive preferential treatment over employee transactions.

**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

TFG does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide TFG with copies of their brokerage statements.

The Chief Compliance Officer of TFG is Michael Anthony Dardis. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that Clients of the firm receive preferential treatment over employee transactions.

**Item 12: Brokerage Practices**

**Factors Used to Select Broker-Dealers for Client Transactions**

TFG may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the Client's choosing. TFG will select appropriate broker-dealers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. TFG relies on its broker-dealers to provide their execution services at the best prices available. Lower fees for comparable services may be available from other sources. At no point in time will the TFG require a client to use a particular Brokerage firm. Clients pay for any and all custodial and broker-dealer fees in addition to the advisory fee charged by TFG.

**DIRECTED BROKERAGE**

In circumstances where a Client directs TFG to use a certain broker-dealer, TFG still has a fiduciary duty to that Client. The following may apply with Directed Brokerage: TFG's inability to negotiate reasonable broker-dealer commissions, to obtain volume discounts, disparity in commission charges among Clients, and conflicts of interest arising from brokerage firm referrals might increase fees and reduce services available to the Client. At this time, TFG does not allow clients to direct the broker to place their trades.

**BEST EXECUTION**

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker-dealer involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

### **SOFT DOLLAR ARRANGEMENTS**

TFG does not receive soft dollars.

### **TFG uses the following custodians with our clients.**

**Schwab Institutional:** The Charles Schwab Corporation ("Schwab") provides a full range of brokerage, custody and banking services for advisers. Its broker-dealer subsidiary, Charles Schwab & Co., Inc. ("Schwab") (Member SIPC), is registered by the Securities and Exchange Commission ("SEC") in the United States of America and offers investment services and products, including Schwab brokerage accounts, governed by U.S. state law. Schwab is an independent broker/dealer and not affiliated with TFG. TFG access Schwab via third party Investment Managers.

**Folio Institutional:** Folio Institutional ("Folio") provides brokerage services that enable advisers and/or customers to follow trading strategies, research, and/or investment ideas developed by such organizations. Folio is an independent broker/dealer and not affiliated with TFG.

TFG recommends Folio to clients for custody and brokerage services. There is no direct link between our firm's participation with Folio and the investment advice given to clients. Folio is a licensed broker-dealer with the Securities and Exchange Commission ("SEC") and custodian that is focused on servicing financial advisors, professionals, institutions, and their clients. The benefits available to TFG at Folio include but are not limited to: window trading for commission-free trades; scalable model portfolios; allocations that include model of models; simple portfolio rebalancing tool which provides block trading (the ability to aggregate securities transactions for execution and then allocation to the appropriate client accounts); automated advisory fee calculation and collection; and fractional share and dollar based investing. These products and services assist us in managing our client accounts at Folio in a manner that is unique to the client assets custodied at Folio Institutional.

**Community National Bank (CNB):** Community National Bank, also known as CNB, serves as our custodian for non-traditional alternative assets that cannot be held at our primary custodian, Folio Institutional. The advisory fee for this account will be in accordance with the agreed-upon fee schedule outlined in the client agreement and is usually deducted from a designated client account at Folio Institutional. It's important to note that CNB does impose custodial fees on non-traditional alternative assets, and these fees are the responsibility of the clients. TFG does not receive any additional benefits from clients opening accounts with CNB.

**Kingdom Trust:** Kingdom Trust is another custodian we typically use for non-traditional alternative assets that are not available to be held at our primary custodian, Folio Institutional. The advisory fee charged to this account will follow the agreed upon fee schedule in the clients' agreement and is typically collected from a designated client account at Folio Institutional. Kingdom Trust does charge a custodial fee on non-traditional alternative assets and those fees are the responsibility of the clients. TFG does not derive any additional benefit from client's opening an account with Kingdom Trust.

### **Aggregating Securities Transactions for Client Accounts**

TFG is authorized in its discretion to aggregate purchases and sales and other transactions made for an account with purchases, sales and transactions in the same securities for other Clients of TFG. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

## **Item 13: Review of Accounts**

## **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by Andrew Tang, Chief Investment Officer. Account reviews are performed more frequently when market conditions dictate. Financial planning Clients may receive quarterly, semi-annual, or annual reviews depending on the focus negotiated and may include asset allocation updates, rebalancing and performance reviews, tax and estate plan reviews, and more. Assets managed by third party money managers are generally reviewed quarterly.

## **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

## **Content of Client Provided Reports and Frequency**

Clients receive written account statements from each of our custodians monthly for managed accounts. Client receives confirmation of every transaction in each account from Custodians as they are made, and each transaction is reported again on account statements during any month in which a transaction occurs. TFG does not provide additional reports to Clients.

## **Item 14: Client Referrals and Other Compensation**

### **Advisory Firm Payments for Client Referrals**

TFG receives a portion of the annual management fees collected by the third-party money managers to whom TFG refers Clients.

This situation creates a conflict of interest because TFG and/or its Investment Advisor Representative have an incentive to decide what third party money managers to use because of the higher referral fees to be received by TFG. However, when referring Clients to a third- party manager, the Client's best interest will be the primary determining factor of TFG.

TFG's third-party investment management service, is offered through a variety of unaffiliated providers.

TFG will deliver the Form ADV Part 2, Privacy Notice and other required documents of the third-party money manager. Clients placed with third party money managers will be billed in accordance with the third-party money manager's fee schedule which will be disclosed to the Client prior to signing an agreement. This is detailed in Item 10 of this brochure.

### **Insurance License and Conflicts of Interest**

As disclosed under the *Fees and Compensation* section in this brochure, some persons providing investment advice on behalf of TFG are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section above.

## **Item 15: Custody**

### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by TFG.

TFG is deemed to have constructive custody solely because advisory fees are directly deducted from Client's account by the custodian on behalf of TFG.

## **Item 16: Investment Discretion**

### **Discretionary Authority**

TFG accepts discretionary authority to manage securities accounts on behalf of Clients. TFG has the

authority to determine, without obtaining specific Client consent, the securities to be bought or sold, the amount of the securities to be bought or sold and the time securities are bought and sold. The Client will authorize TFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

#### **Non-discretionary Authority**

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

The Client approves the custodian to be used and the commission rates paid to the custodian. TFG receives no portion of any transaction fees or commissions paid by the Client to the custodian on any trades.

### **Item 17: Voting Client Securities**

#### **Proxy Votes**

Without exception, we will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### **Item 18: Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

### **Item 19: Additional Information**

#### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

#### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it

should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer, and you will not keep the profit.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.