

## **GREATER MIDWEST FINANCIAL GROUP, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Greater Midwest Financial Group, LLC (hereinafter “GMFG” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, GMFG is required to discuss any material changes that have been made to the brochure since the last annual amendment. The Firm has updated Item 4 to reflect that it is no longer relying on an SEC registration exemption and has more than the requisite amount of assets under management for a Large Advisor. There are no other material changes to disclose.

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## Item 4. Advisory Business

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

GMFG filed for registration as an investment adviser in December 2022 and is owned by James Ronn, Donald Phillips, and Robert Phillips. As of December 31, 2023, GMFG had \$424,484,981 assets under management. \$347,916,422 of these assets were managed on a discretionary basis and \$76,568,559 were managed on a non-discretionary basis.

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

### Financial Planning and Consulting Services

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GMFG offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- |                             |                                |
|-----------------------------|--------------------------------|
| • Business Planning         | • Risk Management              |
| • Cash Flow Forecasting     | • Charitable Giving            |
| • Trust and Estate Planning | • Distribution Planning        |
| • Financial Reporting       | • Tax Planning                 |
| • Investment Consulting     | • Education Planning           |
| • Insurance Planning        | • Benefit Planning             |
| • Retirement Planning       | • Executive Benefit Strategies |

While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, GMFG is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. GMFG recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to

recommend that clients engage GMFG or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by GMFG under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising GMFG's recommendations and/or services.

### Wealth Management Services

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GMFG provides clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

GMFG primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, alternative investments and independent investment managers ("Independent Managers") in accordance with their stated investment objectives.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage GMFG to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, GMFG directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

GMFG tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. GMFG consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify GMFG if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if GMFG determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

#### *Consulting Services Through Mutual Securities, Inc.*

The Firm can provide advice to clients regarding their variable annuities and/or insurance policies through a relationship with Mutual Securities. Mutual Securities engages the Firm to advise the client on the investment of the subaccounts amongst the various options available. The services are provided to Mutual

Securities for customers (“Brokerage Customers”) who provide written consent requesting to receive the Firm’s consulting services. The Firm only provides these services to clients that have signed an Advisory Agreement with the Firm and have consented to such with Mutual Securities.

### **Retirement Plan Consulting Services**

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GMFG provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and includes any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by GMFG as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of GMFG’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

### **Use of Independent Managers**

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As mentioned above, GMFG can select certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager are set forth in a separate written agreement with the designated Independent Manager. That agreement can be between the Firm and the Independent Manager (often called a subadvisor) or the client and the Independent Manager (sometimes called a separate account manager). In addition to this brochure, clients will typically also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

GMFG evaluates a variety of information about Independent Managers, which includes the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposure. GMFG also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

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

## Item 5. Fees and Compensation

GMFG offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offer insurance products under a separate commission-based arrangement.

### Financial Planning and Consulting Fees

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GMFG charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but range from \$500 to \$25,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. The fee can be for a defined project, such as the delivery of a plan, or for ongoing services. If the client engages the Firm for additional investment advisory services, GMFG can offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement. For project-based services GMFG requires one-half of the fee payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. Ongoing services are charged as described in the investment management section, below. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees, six or more months in advance of services rendered.

### Wealth Management Fees

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GMFG offers wealth management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 10 and 150 basis points (0.10% – 1.50%), depending upon the size and composition of a client's portfolio, the type and amount of services rendered and the individual(s) providing the services.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by GMFG on the last day of the previous quarter as determined by a party independent from the Firm (including the client's custodian or another third-party).

The Firm includes cash in a client's account in determining the valuation for billing purposes. The Firm may, in its sole discretion, not include cash in determining the fee, especially where a client has a high percentage of cash for reasons other than the Firm's investment management decision.

If assets in excess of \$25,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), GMFG can negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage GMFG for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

#### **Retirement Plan Consulting Fees**

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GMFG charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered, and ranges between \$500 and \$25,000 per annum on a fixed fee basis or between 10 and 150 basis points (0.10% – 1.50%), depending upon services provided and the amount of assets to be advised on.

#### *Consulting Services Fees Through Mutual Securities*

GMFG receives a consulting fee based on the assets under management from Brokerage Customers who have provided written consent to Mutual Securities to receive investment consulting services from the Firm and have entered into the Advisory Agreement with GMFG. The consulting fee is calculated from the assets under management as of the end of a calendar quarter period multiplied by the annualized rate as described in the Mutual Securities Agreement. The initial fee is paid only after the completion of one full calendar quarter period following the date of the executed agreement with Mutual Securities.



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**Fee Discretion**

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GMFG may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes.

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**Additional Fees and Expenses**

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In addition to the advisory fees paid to GMFG, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

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**Direct Fee Debit**

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Clients provide GMFG and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees, which includes financial planning fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to GMFG. Alternatively, clients may elect to have GMFG send a separate invoice for direct payment, but the Firm may require clients to authorize the direct debit should the bill not be paid in a timely fashion.

Retirement plan clients can request that the Firm direct bill the company for fees. The Firm will take such instructions, but will withdraw the fee from the account if the bill is not paid within a certain time frame disclosed in the client agreement.

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**Use of Margin**

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GMFG can recommend that certain clients utilize margin in the client’s investment portfolio or other borrowing. GMFG only recommends such borrowing for non-investment needs, such as bridge loans and other financing needs. The Firm’s fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

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**Account Additions and Withdrawals**

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

**Item 6. Performance-Based Fees and Side-by-Side Management**

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

**Item 7. Types of Clients**

GMFG offers services to individuals, trusts, estates, charitable organizations, corporations and other business entities, pension and profit sharing plans.

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

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**Methods of Analysis**

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GMFG utilizes a combination of fundamental, technical, cyclical and Behavioral finance methods of analysis while employing an asset allocation strategy based on a derivative of Modern Portfolio Theory ("MPT").

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For GMFG, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A

substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

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

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that GMFG is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

Modern Portfolio Theory (“MPT”) is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (*e.g.*, tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, GMFG’s investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

### **Investment Strategies**

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GMFG has an internal investment committee that makes the ultimate decisions on portfolio allocations within the Firm’s models. Those models include individual stock portfolios, individual bond/credit portfolios and more diversified portfolios including equities, bonds, mutual funds and ETFs, among other investment options, that range from conservative to aggressive.

In addition, GMFG has some customization based on specific client needs or desires. These decisions are made in conjunction with information from outside sources and the Firm's own investment experience. While analyzing specific opportunities to put into portfolios GMFG weighs the macro environment, individual security/sector analysis, cost and vehicle, and past performance. GMFG has discretion in these portfolios to execute the trades and changes as it sees fit based on pre-determined discussions on risk and portfolio goals with the specific client.

The Firm also uses products such as structured products, alternative investments and shorts/inverse ETFs. The short/inverse ETFs are intended to hedge existing positions and not be a necessary outsized bet on market declines.

### **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of GMFG's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that GMFG will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

#### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

*Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

*Fixed Income Securities*

While the Firm emphasizes risk-averse management and capital preservation in its fixed-income bond portfolios, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.

- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

#### *Mutual Funds and ETFs*

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

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

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

Finally, some mutual funds and ETFs may have lock-up periods that restrict an investor from selling their position for a period of time. Other mutual funds and ETFs could also have early redemption fees that are taken if the investor sells their position before a certain amount of time.

#### *Use of Independent Managers*

As stated above, GMFG selects certain Independent Managers to manage a portion of its clients' assets. In these situations, GMFG continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, GMFG does not have the ability to supervise the Independent Managers on a day-to-day basis.

*Management through Similarly Managed “Model” Accounts*

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

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

*Currency Risks*

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

*Tax Considerations*

The Firm’s strategies and investments may have unique and significant tax implications. However, unless the Firm specifically agrees otherwise, and in writing, tax efficiency is not the primary consideration in the management of client assets. Regardless of a client’s account size or any other factors, the Firm strongly recommend that clients consult with a tax professional regarding the investing of their assets. Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Each client’s custodian will default to the First-In First-Out (“FIFO”) accounting method for calculating the cost basis of investments. Clients are responsible for contacting their tax advisor to determine if this accounting method is the right choice for them. If the client’s tax advisor believes another accounting method is more advantageous, the client should provide written notice to the Firm immediately and the Firm will alert the account custodian of the individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

*Structured Products Risks*

A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest

payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

#### *Short/Inverse ETFs*

GMFG recommends short/inverse ETFs to certain clients to hedge existing positions. Inverse ETFs seek to deliver inverse returns of underlying indexes. To achieve their investment results, inverse ETFs generally use derivative securities, such as swap agreements, forwards, futures contracts, and options. Inverse ETFs can be speculative and have similar risks to short selling. Inverse ETFs have compounding risk where held for periods longer than a day. That is because the Inverse ETF only has a single-day investment objective so performance will likely differ for greater periods. Inverse ETFs also provide exposure to derivatives, which have their own risks (including correlation risk, credit risk and liquidity risk). Inverse ETFs also have short sale exposure risk. Clients should read or request a copy of the prospectus to get a full list of the risks of any Inverse ETF recommended by the Firm.

#### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

## **Item 9. Disciplinary Information**

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



## Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### Licensed Insurance Agents

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that GMFG recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. This relationship includes the Supervised Persons recommending insurance policies for a commission, as well as referring clients to other insurance professionals who share revenue with the Supervised Persons. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### Consulting Services Through Mutual Securities, Inc.

GMFG has an agreement with Mutual Securities to provide investment consulting services to Brokerage Customers. GMFG is not affiliated with Mutual Securities. Mutual Securities pays compensation to the Firm for providing investment consulting services to customers Mutual Securities that are also clients of the Firm. The consulting services offered to Brokerage Customers includes a general review of Brokerage Customers' investment holdings, which may or may not result in the Firm making specific securities recommendations or offering general investment advice.

This relationship presents conflicts of interest including the Firm recommending that clients hold the variable products and that they use Mutual Securities as the broker of record. The conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from the Firm and by the Firm not accepting or billing for additional compensation on the Mutual Securities assets beyond the consulting fees.

## Item 11. Code of Ethics

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

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

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact GMFG to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

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GMFG recommends that clients utilize the custody, brokerage and clearing services of Fidelity Brokerage Services LLC (together with affiliates, "Fidelity") for investment management accounts. The final decision to custody assets with Fidelity is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. GMFG is independently owned and operated and not affiliated with Fidelity. Fidelity provides GMFG with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which GMFG considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions.

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

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist GMFG in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because GMFG does not have to produce or pay for the products or services.

GMFG periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

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GMFG receives without cost from Fidelity administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow GMFG to better monitor client accounts maintained at Fidelity and otherwise conduct its business. GMFG receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits GMFG, but not its clients directly. Clients should be aware that GMFG's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services Fidelity. In fulfilling its duties to its clients, GMFG endeavors at all times to put the interests of its clients first and has determined that the recommendation of Fidelity is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, GMFG receives the following benefits from Fidelity: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by GMFG (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Fidelity. Fidelity's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts.

Fidelity also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Fidelity. Other potential benefits may include occasional business entertainment of personnel of GMFG by Fidelity personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist GMFG in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Fidelity. Fidelity also makes available to GMFG other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Fidelity may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Fidelity may discount or

waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, GMFG endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Fidelity may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which creates a potential conflict of interest.

### **Brokerage for Client Referrals**

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GMFG does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

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

### **Trade Aggregation**

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Transactions for each client will be affected independently, unless GMFG decides to purchase or sell the same securities for several clients at approximately the same time. GMFG may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients' differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among GMFG's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which GMFG's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. GMFG does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only

a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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GMFG monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's Investment Committee. All investment advisory clients are encouraged to discuss their needs, goals and objectives with GMFG and to keep the Firm informed of any changes thereto.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. clients can also request written or electronic reports from GMFG and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from GMFG or an outside service provider.

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

In the event a client is introduced to GMFG by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable securities laws. Unless otherwise disclosed, any such referral fee is paid solely from GMFG's investment management fee and does not result in any

additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the client will receive a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement and any conflicts of interest. Any affiliated solicitor of GMFG is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation.

The Firm receives economic benefits from Fidelity. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

## **Item 15. Custody**

GMFG is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, GMFG will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from GMFG. Any other custody disclosures can be found in the Firm's Form ADV Part 1.

### **Standing Letters of Authorization**

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GMFG also will have custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC's no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

## Item 16. Investment Discretion

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

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

## Item 17. Voting Client Securities

### Declination of Proxy Voting Authority

GMFG does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## Item 18. Financial Information

GMFG is not required to disclose any financial information listed in the instructions to Item 18 because:

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