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**March 7, 2024**

**FORM ADV PART 2A**  
**BROCHURE**

This Brochure provides information about the qualifications and business practices of Access Financial Group, Inc. ("Firm"). If you have any questions about the contents of this Brochure, please contact the Firm at 312-655-8200 or by mail at the address above. 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 the Firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for the Firm is 33065.

The Firm is an investment adviser registered with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

## **Item 2 Material Changes**

This Item discloses material changes since the last annual update of this brochure.

Since our last annual amendment on March 15, 2023, we do not any material changes to report.

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## **Item 4 Advisory Business**

### **Firm Description**

Access Financial Group, Inc. is a privately-held Delaware corporation that has been registered with the SEC since December 1994. Throughout this disclosure brochure, Access Financial Group, Inc. is referred to as "AFG." The principal owners of Access Financial Group, Inc. are Victor J. Chigas and Richard Konst.

### **Description of Advisory Services**

#### ***Institutional Program***

AFG provides investment advisory services to businesses, primarily managing the assets of cemeteries and cemetery associations as well as funeral homes and funeral home associations. These assets are managed using fixed income instruments, and the businesses and associations have the ability to place reasonable investment restrictions on the management of assets. State laws often dictate the types of advisory arrangements into which funeral homes may enter. Following are the various arrangements into which AFG has entered:

#### **Advisory agreements with funeral home and cemetery associations:**

When AFG enters into an advisory agreement with a cemetery or funeral home association, AFG has agreed to manage the assets of some or all of the cemeteries or funeral homes that are members of the association. Investments would be made in accordance with each state's statutes. These state statutes also dictate the custodian/trustee relationship with regards to the trust assets. The agreement between AFG and the association is a master investment advisory agreement, and the association is considered AFG's client. AFG may also enter into a service agreement with the cemeteries or funeral homes whose assets it is responsible for managing. This agreement is not an advisory agreement, rather, it describes the fees associated with the management of the cemetery's or funeral home's assets.

#### **Advisory agreements with banks:**

Certain states require cemeteries or funeral homes who desire the services of AFG to hold their assets in trust at a bank. The bank and the cemeteries or funeral homes serve as trustees, and the bank hires AFG to manage the assets in the trust. Investments would be made in accordance with each state's statutes. These state statutes also dictate the custodian/trustee relationship with regard to the trust assets. In this scenario, the bank enters into a master investment advisory agreement with AFG, and the bank is considered AFG's client. AFG may also enter into a service agreement with the cemeteries or funeral homes whose assets are held in the trust; however, this agreement is not an advisory agreement, rather, it describes the fees associated with the management of the cemetery's or funeral home's assets.

#### **Advisory agreements with cemeteries and funeral homes:**

When state regulations permit, AFG may enter into an advisory agreement directly with the cemetery or funeral home. In this scenario, there is no third party intermediary, and the cemetery or funeral home is considered AFG's client.

#### ***Individual Client Services***

AFG provides investment supervisor services, defined as giving continuous advice to individuals or making investments for a client based on the individual needs of the client. Through personal discussions, during which a client's goals and objectives are established, AFG and the client determine the client's risk profile and investment guidelines. Investments are made based on the individual risk

tolerance of the client. Investment advisory services will be provided on a discretionary basis, wherein the client gives AFG full authority to manage the client's assets in accordance with what AFG deems to be in the client's best interest.

Clients will have the opportunity to place restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

### ***Clearing Firms and Custodians***

Securities transactions undertaken for clients are typically handled by AFG, in its capacity as introducing broker-dealer, and cleared through its clearing firm, Raymond James & Associates, Inc. ("RJ"), a broker-dealer and investment adviser registered with the SEC and member of SIPC and the Financial Industry Regulatory Association.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### ***Assets under Management***

As of December 31, 2023, the total amount of client assets managed by AFG was approximately \$269,010,834, of which \$264,267,627 was managed on a discretionary basis, and \$4,743,207 was managed on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Advisory Fees**

#### ***Institutional Program***

The annual asset-based fee for the Institutional Program is charged as a percentage of assets under management and will not exceed between 0.40% and 2.00% of the value of the portfolio. Clients are billed no less than quarterly in arrears. The asset-based fee will be based on value of the client's account as of the last day of the billing cycle. For the first billing, if an account is not opened at the beginning/end of a billing cycle, the asset-based fee will be based upon a pro-rata calculation of the aggregate market value of the client's assets under management beginning from the date the advisory agreement is signed. Details of the asset-based fee charged are more fully described in the advisory agreement entered into with the client.

#### ***Individual Client Services***

Individual clients are charged asset-based fees for services rendered by AFG. Such fees, which shall not exceed between 0.40% and 2.00%, are dependent upon the anticipated amount of work/service to be provided and are agreed upon in writing by the client.

Fees are billed no less than quarterly in arrears, based on the value of the client's account as of the last day of the billing period. For the first billing, if an account is not opened at the beginning/end of the billing cycle, the asset-based fee will be based upon a pro-rata calculation of the aggregate market value of the client's assets under management beginning from the date the advisory agreement is signed.

### **Additional Fees & Expenses**

Advisory fees are separate and distinct from the following expenses that accounts will incur:

- Brokerage and Investment Expenses
- Investment Company Expenses
- Cash Management Expenses
- Custodial Expenses

### **Revenue Sharing**

AFG receives compensation (referred to as "Revenue Sharing") based on client balances in various types of accounts with qualified custodian, Raymond James & Associates, Inc. ("RJ"), one of RJ's affiliates, such as Raymond James Bank ("RJ Bank"), or a money market fund. Cash in a client's account at RJ waiting investment may be invested pursuant to cash management or automatic cash "sweep" programs in cash balance, money market fund, or deposit accounts offered by RJ, RJ Bank, another RJ affiliate, or a money market, or mutual fund. Additionally, Revenue Sharing includes compensation we receive from RJ based on the Brokerage and Investment Expenses they collect, including margin interest and service charges. Revenue Sharing also includes compensation based on balances in other RJ Bank products. Revenue Sharing payments are a maximum of 25 basis points based on account values, except for RJ Bank products, for which the maximum is 50 basis points.

As a result of Revenue Sharing, our compensation increases as the balances grow in cash accounts, money market funds, or deposit accounts with RJ, one of RJ's affiliates, RJ Bank, or a money market fund, or as the margin debt owed (and margin interest paid) by a client increases, and as the balances in other RJ Bank products grows. We have a conflict of interest due to our interest in receiving the Revenue Sharing compensation. Consequently, we may be influenced to select or recommend RJ and

these types of accounts, and to select or recommend investments using margin to increase our Revenue Sharing compensation rather than based on the best interests of the client in seeking the suitable investments for their portfolio.

### ***Brokerage and Investment Expenses***

Client accounts will incur the Brokerage and Investment Expenses to pay AFG and its clearing firm for their services as introducing and clearing broker-dealers (and in some cases, third-party brokers, electronic networks, and exchanges) to execute and clear transactions for the purchase, sale, redemption, or other transfer of securities. Following are examples of some of the types of fees and expenses that are included in the Brokerage and Investment Expenses:

- per-trade principal trade mark-up/mark-downs, and other transaction-related costs paid to introducing and executing brokers (including us, our clearing firm, and its affiliates), stock exchanges, electronic communications networks, and other trading intermediaries involved in executing account transactions to buy or sell securities;
- odd lot charges, transfer and other taxes, floor brokerage fees, service, handling, delivery, and mailing fees, electronic wire transfer fees, currency exchange fees, margin interest, and other expenses related to investments made or assets held for the client's account; and
- early redemption fees, excessive trading penalties, exchange fees, and surrender fees in connection with the purchase, exchange, or redemption of mutual funds and money market funds.

Clients should be aware that our clearing firm, RJ, charges a per-transaction charge (the "service charge") to cover various mailing, handling, and other costs, which is currently not more than \$10 per transaction. The clearing firm rebates a portion of this service charge to AFG as part of the Revenue Sharing, which provides an economic incentive for AFG to continue to recommend the clearing firm to its clients.

### ***Investment Company Expenses***

Mutual funds, money market funds, ETF's, and unit investment trusts (all referred to as a "fund") deduct from their assets the internal management fees, operating costs, and investment expenses they incur to operate the fund. These internal expenses generally include recordkeeping fees, and transfer and sub-transfer agent fees, among others. All of these represent indirect expenses that are charged to the fund's shareholders.

Frequently, these internal expenses also include "Distribution Fees." These amounts are deducted from the fund's assets to compensate brokers who sell fund shares, as well as to pay for advertising, printing and mailing prospectuses to new investors, and printing and mailing sales literature. Mutual fund internal expenses also commonly include "Shareholder Service Fees" which are amounts deducted from the fund's assets to pay the costs of responding to investor inquiries and providing investors with information about their accounts.

Distribution Fees and Shareholder Service Fees are referred to collectively as "12b-1 Fees," named after the SEC rule that adopted them. The 12b-1 Fees are calculated for each class of shares of a fund, and are calculated as a percentage of the total assets attributable to the share class. The 12b-1 Fees, investment management fees, and other ongoing expenses are described in the fund's prospectus Fee Table. These fees will vary from fund to fund and for different share classes of the same fund. You can use prospectus Fee Tables to help compare the annual expenses of different funds. 12b-1 Fees are considered a type of "asset-based sales charge" because they are fees investors in a fund do not pay directly, but which are deducted from the fund's assets.

Mutual funds may impose a contingent deferred sales charge ("CDSC") or short-term trading fee if shares are redeemed within a short time period, usually within 30, 60 or 90 days from the date of purchase. The CDSC or redemption fee is generally one percent.

ETFs are a type of investment company that aims to achieve the same return as a particular market index. They can be either open-end companies or unit investment trusts. ETFs are not considered to be, and are not permitted to call themselves, mutual funds. ETFs differ from mutual funds and unit investment trusts because shares issued by ETFs are bought and sold by investors on a secondary market. Unlike mutual funds, retail investors generally cannot tender their shares directly to the ETF for redemption because shares of ETFs are redeemable from the fund only in very large blocks (blocks of 50,000 shares, for example).

AFG may use ETFs to achieve market exposure consistent with the index on which the ETF is based. Investment returns and principal value will fluctuate so that an account's ETF shares, when sold, may be worth more or less than the original cost.

### ***Cash Management Fees and Expenses***

Cash in a client's account that is awaiting investment or reinvestment may be invested pursuant to cash management or automatic cash "sweep" programs in cash balance, money market fund, or deposit accounts offered by RJ, RJ Bank, another RJ affiliate, or a money market, or mutual fund. Refer to the discussion of Revenue Sharing above regarding the compensation we receive based on balances in such accounts. The possibility of compensation provides an incentive for us to invest in or recommend such accounts to increase the compensation we receive.

### ***Custodial Expenses***

Clients must pay the cost of services provided by their custodian for: (1) arranging for the receipt and delivery of securities that are purchased, sold, borrowed or loaned for the account; (2) making and receiving payments with respect to account transactions and securities; (3) maintaining custody of account securities; and (4) maintaining custody of cash, receiving dividends, and processing exchanges, distributions, and rights accruing to the client's account. The custodian may be compensated through commissions or other transaction-based fees for securities transactions executed through the custodian (or its affiliates) or by asset-based fees for investments settled into the custodian's accounts, or both. The specific fees and terms of each custodian's services are described in the client's separate agreement with the custodian.

### ***Advisory Fees Are Separate***

All fees paid to AFG for investment advisory services are separate and distinct from Brokerage and Investment Expenses, Investment Company Expenses, Cash Management Fees and Expenses, and Custodial Expenses charged by us or other broker-dealers. There is no offset or reduction of our advisory fees for any amounts we receive in our capacity as a broker-dealer or as revenue sharing.

### ***Evaluate All of the Costs of Our Services***

When evaluating the overall costs and benefits of our services, clients should consider not just our advisory fees, but also the potential Brokerage and Investment Expenses, the Mutual Fund and ETF Expenses, the Cash Management Fees and Expenses, and the Custodial Expenses. Clients should consider carefully all of the direct and indirect fees and expenses of our services and the investment products we recommend to fully understand the total costs and assess the value of our services.

### ***Purchases of Similar Products and Services from Other Firms***

Clients can generally purchase similar investment products or services through other firms that are not affiliated with us. Our advisory fees and the other costs of our programs may be higher than amounts charged by other advisers or financial services firms for similar services.



Clients may also purchase mutual funds or other investment products or services directly from mutual fund companies and insurance companies. The products may be available on a low or "no-load" basis. Although we do recommend "load-waived" mutual fund share classes, they may carry 12b-1 Fees higher than a client may be able to obtain through a client's direct purchases from a fund company.

If a client chooses to purchase investments directly or through another intermediary, the client will not receive the benefit of the services we provide in determining which investment products or services may be appropriate in view of the client's financial situation, investment objectives, risk tolerance, and liquidity needs.

Please refer to Item 12 for additional information regarding brokerage, transaction, and other fees and expenses clients will incur.

### **Important Additional Information**

#### ***Fees Negotiable***

AFG retains the right to modify fees, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the trading activity, as well as the amount of work involved and the attention needed to manage the account.

#### ***Deduction of Fees from Client Accounts***

Advisory fees may be deducted from a client account only if the client provides written authorization permitting AFG's fees to be paid directly from the client's account held by an independent custodian and the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to AFG. The majority of clients pay advisory fees on a monthly basis and receive monthly statements from the custodian.

#### ***Deposits/Withdrawal Information***

Asset deposits by a client into an account during the billing period will result in a pro-rated fee being billed to the client's account. AFG will make fee adjustments for partial withdrawals within a billing period and for full withdrawals from the account.

#### ***Termination of Client Relationship***

An institutional client has the right to terminate an investment advisory agreement without penalty within sixty (60) days, as specified in the contract.

For individual accounts, a client agreement may be canceled at any time, by either party, for any reason upon sixty (60) days' prior written notice. This will permit AFG sufficient time to finalize transactions, if necessary, and enables the delivery of final statements and release of documents.

Upon termination, AFG shall retain the management fee earned from the beginning of the current quarter through the date of termination and any balance of the management fee paid in advance will be refunded on a pro-rata basis.

#### ***Other Compensation***

AFG and certain of its investment adviser representatives (each a "Representative") who are also registered representatives of AFG, in its capacity as broker-dealer, render securities brokerage services for clients pursuant to commission arrangements. Under such arrangements, the Representatives execute the clients' securities transactions, as registered representatives of AFG, and AFG charges the clients brokerage commissions, which AFG shares with the Representatives. If the Representatives sell mutual fund shares to the clients, AFG receives any applicable sales charges and

services fees (referred to as "12b-1 Fees") and shares these with the Representatives. Refer to the discussion above regarding "Investment Company Expenses" for further information. The brokerage commissions, sales charges and 12b-1 Fees are separate and in addition to the advisory fees AFG receives from the advisory clients.

Receipt of this compensation from advisory clients presents a conflict of interest because AFG and the Representatives have an incentive to recommend the purchase of mutual funds and other securities based on the compensation to be received, rather than based solely on the client's investment needs.

Additionally, AFG and the Representatives can select or recommend, and in many instances, will select or recommend to advisory clients, investments in mutual fund share classes that pay sales charges and 12b-1 Fees when clients are eligible to purchase share classes of the same funds without sales charges or 12b-1 Fees, and are less expensive. This presents a conflict of interest. Clients are under no obligation, contractually or otherwise, to purchase mutual funds recommended or selected by AFG or any of its Representatives.

Separately, AFG also receives a fee for the Interment Trust Services accounting and recordkeeping service, which is separate from its advisory fees.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

AFG does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client's account).

## **Item 7 Types of Clients**

AFG provides investment advisory services to individuals (including high net worth individuals), trusts, estates and charitable organizations.

### ***Engaging the Services of AFG***

All clients wishing to engage AFG for investment advisory services must complete AFG's investment advisory agreement, investor questionnaire as well as any other document or questionnaire provided by AFG. The investment advisory agreement describes the services and responsibilities of AFG to the client. It also outlines AFG's fee in detail. In addition, clients must complete certain broker dealer/custodial documentation as described below. Upon completion of all these documents, AFG will be considered engaged by the client. Clients are responsible for ensuring that AFG is informed in a timely manner of changes in their investment objectives and risk tolerance.

### ***Conditions for Managing Accounts***

As a condition for starting or maintaining an investment management supervisory services account, AFG requires clients and prospective clients to select AFG as their broker-dealer and AFG's then-current clearing firm as their custodian. AFG has no minimum account size or management fee requirements.

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

### Methods of Analysis

#### ***Types of Securities***

AFG offers advice on what it considers traditional investment vehicles and does not specialize in any particular type of advisory service. We provide investment advice regarding the investments held by a client at the start of the advisory relationship. These investments may include all types of fixed income and equity investments, including mutual funds, money market funds, and closed-end funds; common and preferred stocks; certificates of deposit; as well as direct obligations issued or guaranteed by the U.S. Treasury, government agencies, or government sponsored enterprises.

We also provide advice with respect to investments in commercial paper; options; as well as "sweep" arrangements where cash balances are transferred into money market funds, money market deposit accounts, or bank accounts for cash management purposes, which may be advised by or maintained with the account's Custodian or an affiliate of the Custodian. Please refer to Items 5 and 12 for information regarding the costs and conflicts of interests related to investments in accounts used for cash management purposes, margin accounts, and other accounts and our receipt of "revenue sharing" compensation. AFG may provide investment advice to a limited number of clients in connection with interests in limited partnership investments.

Our investment recommendations and the portfolio we manage for any particular advisory client will not include all of these types of investments. In particular, AFG offers advice regarding investments for memorial pre-need funeral home and cemetery trusts. Investments for these clients must be made in accordance with each state statute. These state statutes also dictate the custodian/trustee relationship with regards to the trust assets.

#### ***Investment Selection and Analysis***

Investments may be selected or recommended on the basis of any or all of the following criteria: performance history; asset class and industry sector; the track record, management style and philosophy of the investment manager; the security's fee structure; the fund company's policies and limitations regarding excessive trading and penalties for early redemptions; the size of the investment in comparison to the size of the issuer; the fund company's trading restrictions, and our and our brokers' ability to place and execute orders and maintain records in an efficient manner, at reasonable costs. We may receive and rely on historic financial and other data from sources we deem to be reliable.

Following are typical methods we use in analyzing the securities in a client's account:

**Fundamental Analysis:** Fundamental analysis involves analyzing a company's income statement, financial statements and economic health, its management and competitive advantages, and its competitors and markets. The fundamental analysis school of thought maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mispriced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, while the overall health and position of a company may be good, unforeseen market conditions and company developments may result in significant price fluctuations that can lead to investor losses.

**Technical Analysis:** Technical analysis seeks to identify price patterns and trends in financial markets and attempt to exploit those patterns. Technical analysts follow and examine indicators such as price, volume, moving averages, and market sentiment. One of primary risks involved when utilizing technical analysis is that markets do not always follow patterns; 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 AFG will be able to accurately predict such a recurrence. Relying solely on this method may not work out in the long term.

**Mutual Fund and ETF Analysis:** In analyzing mutual funds, we look at the experience and track record of the portfolio managers to determine if they have demonstrated the ability to invest successfully over periods of time and in different economic conditions. We also consider whether or not there is a significant overlap with the underlying investments held by other mutual funds. We monitor the mutual funds in an attempt to determine if they are continuing to follow their stated investment strategies. We also evaluate the fees of the portfolio managers and the internal expenses of the mutual funds to determine whether the client is receiving adequate value for these fees and expenses.

A risk of our mutual fund and ETF analysis is that, as in all investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds in a client's account may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the client's portfolio. Moreover, we do not control the portfolio manager's daily business or compliance operations, and we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### ***Management of Account Until We Receive Written Notice***

Unless and until the client notifies us in writing to designate a different portfolio for their account, to notify us of material changes in their suitability information, or to impose reasonable restrictions on the investment of their account, we will continue to manage the account according to the suitability information in our records. Clients should inform us promptly of significant changes in their individual or family circumstances or financial situation, or in the investment goals or objectives, investment time horizon, tolerance for risk, or liquidity needs of the account so that appropriate changes can be made.

#### ***Risks of Inaccurate Information***

Our methods of analysis assume the accuracy of the information we analyze, such as ratings, financials, research materials prepared by others, annual reports, prospectuses and press releases. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

#### ***Risk of Loss and Other Risks***

For the methods of analysis and strategies we use, we have identified the material risks we believe are involved. Of course, we cannot guarantee these are the only risks of investing through our programs.

When deciding whether to participate or to continue to participate in one of our programs, prospective or current clients should feel comfortable that they have an understanding of our programs, the strategies we use, the risks of those strategies, the kinds of investments we use, the fees and expenses they will pay, the compensation we will receive (both in our capacity as investment adviser and as broker-dealer), and the conflicts of interests that can potentially affect the advice we give.

We urge prospective clients to ask questions if they do not understand any of these points.

### ***Risk of Loss***

Investing in securities involves risk of loss that clients should be prepared to bear. Securities are not guaranteed and you may lose money on your investments. We ask that you work with us to be sure we understand your willingness and financial ability to bear the risks of your current investments and the investments we recommend for your account.

Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability. Depending upon the client need and investment mandate, AFG will attempt to thoroughly explain the applicable risks.

**Loss of Capital:** Investing in securities involves risk of loss of capital that each client should be prepared to bear. All AFG programs are subject to general market risk where the value of the portfolio will fluctuate based upon changes in value of the underlying securities. Investments are not insured by the Federal Deposit Insurance Corporation ("FDIC").

### ***Investment-Related Risks***

Investments through AFG are subject to the following types of risks. The level of exposure to any of these risks will depend on the extent to which AFG or any third-party or fund manager invests in specific securities or utilizes specific investment strategies that pose such risks.

**Interest Rate Risk:** Interest rates may go up, causing the value of debt securities held by an account (or by any mutual fund, money market fund, or other fixed income security owned by the account) to decline. This is known as interest rate risk, which may be greater for securities with longer maturities. This is a known risk factor for AFG portfolios that are invested in fixed income securities.

**Credit Risk:** The issuer (or other obligor) of a security owned by the account (or by any mutual fund or money market fund owned by the account) may fail to pay principal or interest, or otherwise defaults, or may be perceived to be less creditworthy, or the security's credit rating may be downgraded, or the credit quality or value of any underlying asset may decline. This is known as credit risk. Generally, investment risk and price volatility increase as a security's credit rating declines.

**Prepayment Risk:** During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the account (or any mutual fund or money market fund owned by the account) to reinvest in lower yielding securities. This is known as call or prepayment risk.

**Extension Risk:** During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration (a calculation of a security's future payments designed to measure sensitivity to interest rate changes), increase the security's sensitivity to interest rate changes and reduce the value of the security. This is known as extension risk.

**Liquidity Risk:** From time to time, as a result of economic, market, or issuer-specific reasons, one or more investments held by the account may become difficult to sell at a favorable price, and in certain adverse markets or economic conditions, may become difficult to sell at any price. The causes of a loss of liquidity may not be related to any specific adverse changes in the business of a particular

issuer. These examples of liquidity risk. During periods of market turbulence or unusually low trading activity, in order to meet redemptions or expenses it may be necessary for the portfolio to sell securities at prices that could impact portfolio value.

**Risk of Errors in Investment Decisions:** There is a risk that our judgment about the attractiveness, relative value, or potential appreciation of a particular market sector or security, or about the timing of investment purchases or sales, may prove to be incorrect, resulting in losses to the account.

**Risk of Holding Cash Balances for Extended Period of Time:** A strategy may seek to improve long-term risk-adjusted performance by holding substantial cash balances for extended periods of time. However, because the account will continue to be charged Advisory Fees on the cash balances, and holding cash balances in this manner can ultimately reduce portfolio returns, especially in times when money market rates are extremely low.

**Risk of Delays in Accounts:** For a variety of reasons, there may be periods of time when we will not be able to trade an account. For example, accounts may require several weeks after the Advisory Agreement is signed by all parties before we will be able to enter trades with the Custodian (and such period may be lengthened as a result of delays by client or third parties in transferring assets to the Custodian). Similarly, accounts that are transferred between Custodians, or whose registrations are changed, or that change portfolios may experience periods during which we will not be able to trade the account. Further, there will likely be periods when we are not able to trade an account as a result of AFG's administration, review, portfolio management, trade execution, or other handling of that account or the account for other clients.

During periods when we are not able to trade the account, we may receive an indication to trade the account that we may not be able to effect. As a result, the account may incur losses that would not have been incurred, or may miss profits or opportunities that would have been realized, if the account had been traded.

Following such periods, we will endeavor to trade the account and effect transactions so that the account reflects the portfolio designated for the account, but such transactions may result in immediate losses for the account. We assume no responsibility for losses or missed profits or opportunities resulting from: the account not being traded during any such period; engaging in transactions so that an account reflects the Portfolio; or from implementing any instruction from the client.

AFG does not guarantee that transactions will occur within any minimum period of time following receipt of any indication to trade the account or that transactions for any account will occur at the same time as transactions for other accounts. We will attempt, when reasonably able, to move all clients promptly following receipt of an indication to trade the account, but clients should expect that delays will occur, transactions for particular accounts may be delayed until after transactions for other accounts have been effected, and losses may be incurred or profits or opportunities may be missed, all at the risk (and potential benefit) of the client. Although with respect to any particular indication or transaction, certain accounts may not be treated the same as other accounts, we will implement procedures to avoid particular accounts being treated unfairly over reasonable periods of time.

**Manager Risk:** Performance may deviate from overall market returns if AFG or any unaffiliated manager is either more defensive or more aggressive when the market is rising or falling, respectively.

**Derivatives Risk:** Derivatives, such as options, futures and swaps, can be volatile, and a small investment in a derivative can have a large impact on the performance for the portfolio. Other risks of investments in derivatives include imperfect correlation between the value of these instruments and the

underlying assets; risks of default by the other party to the derivative transactions; risks that the transactions may result in losses that partially or completely offset gains in portfolio positions; and risks that the derivative transactions may not be liquid.

**Foreign Risk:** Foreign investments are subject to the same risks as domestic investments and additional risks, including international trade, currency, political, regulatory and diplomatic risks, which may affect their value. Also, foreign securities are subject to the risk that their market price may not reflect the issuer's condition because there is not sufficient publicly available information about the issuer.

**Inflation Risk:** Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

**Leverage Risk:** Certain transactions, such as reverse repurchase agreements, dollar rolls, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, may give rise to leverage, causing a portfolio to be more volatile than if it had not been leveraged.

**Exchange Traded Funds Risks:** Equity-based exchange traded funds are subject to risks similar to those of stocks. If the stock tracked within an ETF decline due to weakening fundamentals, crumbling technical support, global events, or any other market fluctuations, the value of the ETF will go down. Fixed income-based ETFs are subject to risks similar to those of bonds such as increasing interest rates. Investment returns will fluctuate and are subject to market volatility, so that an investor's ETF shares, when redeemed or sold, may be worth more or less than their original cost.

**Pooled Investment Vehicle Risks:** Mutual funds, closed-end funds, ETFs, and alternative investment funds are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by AFG, clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

### **Contact for Further Information**

The risks explained above are not intended to be a complete list of the risks involved in investing. Please contact Christopher Chigas, Chief Compliance Officer of AFG, at (312) 655-8200 if you have additional questions.

## **Item 9 Disciplinary Information**

AFG is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither AFG nor its management personnel have reportable disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

**Broker-Dealer:** AFG is registered with the SEC and various state securities authorities as a broker-dealer, and is member of FINRA and the Securities Investor Protection Corporation ("SIPC"). Certain of AFG's management employees and Representatives are registered as broker-dealer registered representatives of AFG. As previously discussed in Item 5, Clients may engage the registered representatives to render securities brokerage services under a commission arrangement. Under these arrangements, the clients implement securities transactions through the registered representatives, for which AFG will charge brokerage commissions for its execution services, with a portion of the commissions allocated to the registered representatives.

If mutual fund shares are sold to the client, AFG receives any applicable sales charges and 12b-1 Fees, with a portion allocated to the Representative. Item 5, *Investment Company Expenses* above discusses compensation from mutual funds. Compensation from the sale of mutual funds and other securities is separate and in addition to our advisory fees.

Receipt of this compensation from advisory clients presents a conflict of interest because AFG and the Representatives have an incentive to recommend mutual funds and other securities based on the compensation to be received, rather than based solely on the client's investment needs.

Additionally, AFG and the Representatives can select or recommend, and in many instances, will select or recommend for advisory clients investments in mutual fund share classes that carry sales charges and 12b-1 Fees when clients are eligible to purchase share classes of the same mutual funds without sales charges or 12b-1 Fees, and are less expensive for the client. This presents a conflict of interest because AFG and the Representatives have an incentive to recommend the share class based on their interest in the compensation to be received, rather than the client's interest in obtaining the investment at the lowest cost.

**Accounting and Recordkeeping Work:** Interment Trust Services ("ITS") is a division of Access Financial Group. ITS provides memorial trust recordkeeping services for funeral homes and cemeteries. This includes both preneed and perpetual care trusts. A proprietary computer system tracks information regarding deposits to and withdrawal from these memorial trusts. The assets are tracked by state, then funeral home or cemetery and finally down to each participant. The proprietary system provides information for filing state reports for the funeral and cemetery licensing divisions and year-end tax filings for the trust.

Investments by these trusts may also be managed by AFG. Investments would be made in accordance with each state's statutes. These state statutes also dictate the custodian/trustee relationship with regards to the trust assets. AFG receives a fee for the ITS record-keeping service. Fees are charged monthly or quarterly in arrears and all contracts are cancelable upon written notice by the client.

**Syndicate Work:** The principals of AFG, through intermediaries, sponsored and sold interests in limited partnerships involving real estate. However, a new limited partnership has not been offered in approximately five (5) years, and therefore, the only activities with those existing limited partnerships is continuing operations. AFG does not offer or recommend interests in these limited partnership to its advisory clients.



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

### **Code of Ethics**

We have adopted a Code of Ethics expressing our commitment to ethical conduct. Our Code of Ethics describes our fiduciary responsibilities to our clients, and our procedures in supervising the personal securities transactions of our supervised persons who have access to information regarding client recommendations or transactions ("access persons").

A copy of our Code of Ethics is available to our clients and prospective clients. You may request our Code of Ethics by contacting Christopher Chigas, Chief Compliance Officer of AFG, at (312) 655-8200.

We owe a duty of loyalty, fairness, and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of our access persons' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by AFG's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

Our Chief Compliance Officer may grant exceptions to certain provisions contained in the Code where we reasonably believe the interests of our clients will not be materially adversely affected or compromised. Doubts arising in connection with personal securities trading should be resolved in favor of the client even at the personal expense of our employees.

Our Code of Ethics prohibits the misuse of material non-public information. While we do not believe that we have any particular access to material non-public information regarding publicly traded companies that would be subject to misuse, all employees are reminded that any such information may not be used in a personal or professional capacity.

AFG and its principals, officers, affiliates, employees and representatives may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships or other businesses, subject to compliance with the Code of Ethics. In doing so, AFG or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.

Neither AFG nor any representative has any obligation to purchase or sell, or to recommend for purchase or sale, any security which AFG or any principal, officer, employee or representative purchases or sells for his own account or for the accounts of other clients, unless such conduct is a fiduciary obligation.

### ***Confidentiality of Client Information***

Protecting the confidentiality of our clients' nonpublic information is paramount. As such, we have instituted policies and procedures to ensure that nonpublic customer information is kept confidential. We do not disclose nonpublic personal information about our clients or former clients to any nonaffiliated third parties, except as provided pursuant to our privacy policies or as required by or permitted by law.

In the course of servicing a client's account, AFG may share client information with service providers, such as Sponsors, Managers, Custodians, transfer agents, accountants, and attorneys. AFG will share information about the client, the client's account, and account activity.

### ***Recommendations Involving Our Financial Interests***

We are required to disclose if we recommend securities in which we (or a related person) has a material financial interest. This disclosure includes principal transactions in which AFG, acting as principal for its own account as a broker-dealer, buys from or sells any security to an advisory client. This disclosure also extends to cross transactions and agency-cross transactions, as discussed below.

### ***Principal Trading***

Subject to the requirements of applicable law, AFG may act as principal, buying securities for itself from, or selling securities it owns to, an advisory client, but only in a manner consistent with the requirements of Rule 206(3) (and if applicable, Rule 206(3)-3T) and when it is in the best interest of a client to do so.

In addition to the advisory fee paid by a client, AFG may realize profits from principal transactions with a client based on the difference between the price AFG paid for the security and the price at which AFG sold the security, which may include a markup or markdown from the prevailing market price, an underwriting fee, selling concession, or other incentive to execute the transaction. In trading as principal with a client, AFG will have potentially conflicting division of loyalties and responsibilities regarding AFG's own interests and the interests of the client.

This profit potential may give AFG an incentive to recommend a transaction in which AFG acts as principal. Nonetheless, AFG has a fiduciary duty to act in the best interest of clients and to obtain best execution for its advisory clients. Furthermore, AFG has adopted internal procedures designed to ensure that AFG will provide the written disclosures required by Rule 206(3) and obtain the client's consent prior to completion of the transaction.

### ***Cross Transactions (see below for Agency-Cross Transactions)***

From time to time, when AFG believes that each respective transaction is consistent with the client's best interest, such as when accounts are adjusting their respective durations, or when one account is in a liquidation mode while another is in an accumulation mode, or for tax management purposes, AFG may exercise discretion to cause the sale of securities from an advisory client's account while at or about the same time causing the purchase of the same securities for the account of another advisory client. Such transactions may have the benefit of reducing transaction and market impact costs.

In such cases, because AFG is acting as investment adviser for both buyer and seller, it is subject to potentially conflicting interests in causing the transaction. In these transactions, AFG seeks to obtain best execution for each advisory client and to ensure that each client receives fair and equitable treatment. Although AFG, in its capacity as an introducing broker-dealer, may assist in the execution of the transaction, it is not "acting as a broker" with respect to the transaction because it is not paid any transaction-related compensation.

### **Agency-Cross Transactions**

Agency-cross transactions are similar to cross transactions described above, except that in an agency-cross transaction, AFG acts as investment adviser for one party, but negotiates the transaction with an independent third-party on the other side. AFG acts as broker for both parties and receives transaction-related compensation in connection with the trade from one or both parties. Because of the potential for compensation from one or both parties and AFG's relations with the parties, AFG may have a conflicting division of loyalties and responsibilities. However, in all cases, AFG will seek to obtain the best execution for each advisory client and will effect agency-cross transactions only in accordance with the requirements of Rule 206(3)-2 under the Advisers Act.

### **Investments in Securities We Recommend to Clients**

Individuals associated with AFG may buy or sell securities for their personal accounts identical to or different from those recommended to clients. Subject to the Code of Ethics, AFG and its employees are permitted to trade for their own accounts side-by-side and in block transactions with AFG's clients in the same securities, and at the same time. We have adopted the procedures described below to address the actual and potential conflicts of interest raised by our policies.

### **Investments Around Time of Client Transactions**

We have adopted the procedures described below to address the conflicts of interest arising from our policies described in this Item 11:

- AFG prohibits employees from knowingly purchasing or selling securities (other than mutual funds or other securities that are not treated as "reportable securities") immediately prior to client transactions, in order to prevent employees from benefiting from transactions placed on behalf of advisory accounts;
- no director, officer, or employee shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry;
- no director, officer, or employee shall knowingly prefer his or her own interest to that of an advisory client;
- AFG maintains records of securities held by AFG and its access persons. These holdings are reviewed on a regular basis by the Investment Committee or the CCO;
- AFG emphasizes the unrestricted right of the client to decline to implement any advice it has rendered (except where AFG has entered an order pursuant to its exercise of discretionary authority);
- AFG requires all employees to act in accordance with all applicable Federal and State laws and regulations governing registered investment advisory practices; and
- any individual not in observance of the above may be subject to discipline.

## **Item 12 Brokerage Practices**

### **Factors in Selecting Brokers**

In Item 12, we describe the factors that we consider when selecting brokers for client accounts. We also describe the conflicts of interest that can affect our decisions and the steps we take to attempt to address these conflicts.

Securities transactions are typically handled through accounts for which AFG serves as the introducing as broker-dealer, and Raymond James & Associates, Inc., is the clearing firm. Bond transactions will be negotiated with third-party bond dealers.

As a condition of establishing an investment advisory relationship with AFG, AFG requires that its advisory clients establish an account with its current clearing firm. Not all advisors require their clients to open an account with a particular broker-dealer or custodian. AFG's clearing firm charges account related fees and commissions for certain activities.

AFG receives from RJ the Revenue Sharing compensation, which includes a portion of the Brokerage and Investment Expenses (including a portion of the service charges and margin interest) and Cash Management Expenses, and may also receive Investment Company Expenses, such as 12b-1 Fees, as discussed in Item 5. The desire to receive these forms of compensation creates a conflict of interest by providing an economic incentive for AFG to recommend the RJ even though the recommendation may not be in the client's best interest.

### ***Research and Other Soft Dollar Benefits***

Our selection or recommendation of brokers is directly affected by the fact that AFG is a dually-registered broker-dealer and investment adviser. Certain investment adviser representatives are also registered representatives. We are intimately familiar with the operations of our clearing broker-dealer and are able to place orders, assist clients, resolve questions, and administer accounts very efficiently through our clearing firm.

Clients should be aware, however, that even though this arrangement is very efficient for us, we have an obligation to evaluate the brokers we select on a continuing basis to determine that our selections are appropriate for our clients and consistent with our fiduciary responsibilities. An arrangement that is best for our firm is not necessarily best for our clients.

We review our broker selections on a continuing basis to determine if our selections are reasonable and consistent with our fiduciary responsibilities. In selecting brokers, we consider the full range and quality of the broker's services, including, among other things, execution capability, cost, financial responsibility, responsiveness, and the value of research and other services provided. We will not recommend a broker solely on the basis of the lowest possible commission cost, but rather, we will determine whether the broker has the ability to provide the best overall qualitative execution considering all factors.

The reasonableness of a broker's compensation is based on its ability to provide professional services, competitive commission rates, and related services that will help us in providing investment services to our clients. Consequently, we may recommend a broker that provides useful brokerage, research, and related services, even though a lower commission may be available from a different broker.

Our clearing firm makes available to us advanced technology, support, and service that assists us in managing and administering our advisory accounts, including technology that:

- provides communication services that support
- communication of trade instructions
- post-trade matching
- routing of settlement instructions
- access to electronic client account records and data;
- facilitates trade execution and allocation of aggregated trade orders for multiple client accounts; and
- provides research, pricing and other market data.

We have no obligation to refer clients to our clearing firm, however, it is unlikely that we would continue to have access to these tools if we did not refer clients to it.

Importantly, the availability of these useful services creates a financial incentive for us to choose the clearing firm to execute trades for our clients' accounts so that we can continue to receive all of these services, and avoid paying for them separately at our own expense. Our interests conflict with our clients' interests in obtaining the lowest possible execution costs.

Although we strive to address this conflict in a manner consistent with our fiduciary duty, our judgment may be affected such that our efforts may not be entirely successful. To help mitigate this conflict, we have adopted procedures to analyze periodically the services and programs provided by or available through our clearing firm, to evaluate the usefulness of these services in relation to the costs of the services, and to assess the overall quality of the services.

#### **Lower Costs Available for Similar Services**

We offer no assurance that the advisory fees, transaction costs, or investment expenses our clients will incur by using our firm as their investment adviser and broker-dealer, and our clearing firm as broker, for their accounts will be as low as the fees or investment expenses charged by other firms for similar services. It is likely that lower costs are available for similar services from other advisers, brokers or custodians.

#### **Brokerage Services Do Not Benefit Specific Accounts**

We do not attempt to put a dollar value on the services received from our clearing firm by each account, nor do we attempt to allocate or use the services received for the benefit of specific accounts, or attempt to use any particular item to service all accounts. We will use the services we receive to assist in managing accounts which do not generate commissions to pay for such services. The services and support we receive from our clearing firm are used to help our Firm to fulfill its overall client obligations. Clients will likely pay commissions or other transaction costs that will be used to pay for services that are not used to benefit their account.

#### ***Brokerage for Client Referrals***

We are required to disclose whether, in selecting or recommending a broker, the broker (or a third party) refers clients to us. If so, we must disclose certain additional matters. Our clearing firm does not refer clients to us.

#### ***Directed Brokerage***

We do not permit "directed brokerage" instructions from our clients. This means clients are not permitted to direct us to use a particular broker to execute their brokerage orders, even if we could obtain more favorable execution.

#### **Aggregation of Transactions**

##### ***Trade Aggregation***

With respect to client accounts with substantially similar investment objectives and policies, AFG may seek to purchase or sell a particular security in each account by aggregating orders into a "block order." Proprietary accounts of our firm or its supervised persons may participate in block orders on the same basis as clients.

For certain types of accounts, the ability to have their orders aggregated into a block order with other accounts can offer economic benefits, including the potential for volume discounts, potentially timelier execution, a potential reduction of adverse market effects that can occur from separate, competing orders, and mutual sharing of transaction costs. For accounts that purchase individual securities, such as stocks or bonds, the broker may be able to negotiate price improvement.

Block orders are typically placed through an "average price account" or similar account such that transactions for accounts participating in the order are averaged as to price (which will be NAV for all mutual fund securities), and the securities purchased or net proceeds received are allocated pro rata among the accounts in proportion to their respective orders placed that trading day.

Typically, partial fills will be allocated among accounts in proportion to the total orders participating in the block, unless we determine that another method of allocation is equitable (such as an alphabetical rotation, rotation based on the clients of a particular representative, or other method). Exceptions may be granted or allowed due to varying cash availability, divergent investment objectives, existing concentrations, tax considerations, investment restrictions, performance relative to a benchmark, and performance relative to other accounts in the same strategy or portfolio, or a desire to avoid "odd lots" (an amount of a security that is less than the normal unit of trading for that security).

#### ***Allocation of Opportunities and Potential Conflicts***

Because AFG manages more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the AFG. AFG attempts to resolve all such conflicts in a manner that is generally fair to all of clients over time. AFG may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances.

It is AFG's policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. AFG is not obligated to acquire for any client account any security that it or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

#### ***Trade Errors***

Errors created in an advisory account must be corrected so as not to harm any client. It is AFG's policy to make Clients whole following a trade error. If a trade error results in a loss, AFG will make the Client whole and absorb the loss. However, in no event will Clients benefit financially from trade errors by retaining securities erroneously purchased in the client's account (or the profit from such securities).

In cases where the Custodian does not move the erroneously purchased securities to the Custodian's error account, the securities will be moved to AFG's error account, and AFG will absorb the loss so there is no financial impact to the Client. If there is any gain from the erroneously purchased securities, the credit will remain in AFG's error account to offset future losses due to trade errors. Where multiple transactions are involved, gains and losses resulting from trade correction process will be netted prior to determining what amounts may be required to restore a Client to their original position. "Soft dollars" will not be used to correct trading errors.

## **Item 13 Review of Accounts**

#### **Account Reviews**

Accounts are reviewed as contracted for with the client at the inception of the advisory relationship. Accounts are reviewed in the context of each client's investment objectives and guidelines, ensuring that the structure of the portfolio is coordinated with these objectives. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. One of AFG's senior managers (such as its Chairman, CEO, or CFO) will be responsible for overseeing each review.

**Client Reports**

Clients will receive monthly or quarterly account statements and confirmations from their Custodian. We do not generally provide client reports. Please refer to Item 15 for further information about account statements.

**Item 14 Client Referrals and Other Compensation****Economic Benefits from Arrangements with Third Parties*****Benefits from Clearing Firm Arrangement***

As described in Item 12, our clearing firm, Raymond James & Associates, Inc. ("RJ"), provides many services on which we depend in offering advisory services to our clients in an efficient and cost-effective manner. While there is no direct linkage between the investment advice we give and the services offered by our clearing firm, it is likely we would no longer have access to these services if we did not select our clearing firm for our discretionary accounts. Consequently, we have an incentive to act in our own economic best interest, rather than in the best interest of our clients, by recommending and selecting our clearing firm so we do not have to arrange or pay for these services from our separate funds.

Some of the products and services made available by RJ may benefit AFG but may not benefit its client accounts. These products or services may assist AFG in managing and administering client accounts, including accounts whose commissions did not pay for the product or service. Other services are intended to help AFG manage and further develop its business enterprise. The benefits received by AFG or its personnel do not depend on the amount of brokerage transactions directed to the clearing firm. As part of its fiduciary duties to clients, AFG endeavors at all times to put the interests of its clients first.

Additionally, please refer to Items 5 and 12 for information about economic benefits we receive from Revenue Sharing based on client balances in various types of accounts with RJ, one of RJ's affiliates, such as Raymond James Bank ("RJ Bank"), or a money market fund, or the balance owed in a margin account. As a result of Revenue Sharing, we have a conflict of interest because our compensation increases as the balances grow in these accounts, which provides an economic incentive to recommend these investments based on our interest in receiving additional Revenue Sharing compensation rather than in seeking suitable investments for the client's account.

Clients should review the entire disclosures in Items 5 and 12 regarding the conflict of interest which arises from our economic interest in receiving the Revenue Sharing compensation. We have an economic incentive to recommend these types of accounts and to recommend investments using margin based on our interest in increasing the Revenue Sharing compensation we receive rather than the best interests of the client in seeking the best investments for its portfolio at the lowest cost.

***Benefits from Securities and Insurance Products***

Our representatives sell securities products in their separate capacities as broker-dealer registered representatives and they sell insurance products in their capacities as independently licensed insurance agents. They may earn sales commissions when selling securities and insurance products in these separate capacities. Representatives may recommend mutual funds that pay on-going 12(b)-1 Fees for as long as the client owns the investment. The representative will receive a portion of the 12(b)-1 Fees. Similarly, insurance products may provide for on-going compensation that the representative will receive.

As explained above in Item 5, under Brokerage and Investment Expenses, 12(b)-1 Fees are paid from fund assets and, thus, indirectly from client's assets. Receipt of these fees creates an incentive for the representatives to recommend funds with 12(b)-1 Fees or higher 12(b)-1 Fees over other investments, therefore creating a conflict of interest.

From time to time, we may receive expense reimbursement for travel or marketing expenses from distributors of securities products. Travel expense reimbursements are typically a result of attendance at due diligence or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses.

Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. Amounts received from product sponsors reduce the out-of-pocket amounts AFG and its representatives would otherwise be required to pay. Consequently, the desire to receive (and continue to receive) such amounts creates an incentive for the firm and representatives to act in their own economic interests rather than the best interests of the client when selecting investment products.

We address the conflicts of interest discussed in this Item 14 by disclosing them in this Brochure. We also monitor our accounts and evaluate the quality and costs of the services provided by our clearing firm, and by the benefits and costs of the securities products we recommend, to determine whether our selections and recommendations for our client accounts continues to meet our fiduciary obligations. Although we continue to believe that our selections are appropriate for our clients, our judgment may be materially affected by our dependence on the services our clearing firm provides, and our interest in continuing to receive the revenue sharing, plus the economic benefits from the securities products we recommend.

#### ***Referral Arrangements with Third Parties***

We must disclose if we compensate anyone who is not an employee for client referrals, and describe the arrangement and the compensation.

As discussed above, AFG has entered into arrangements with state funeral home and cemetery associations to provide a broad range of investment advisory, accounting, and recordkeeping services to the associations and their members. AFG's arrangements with the associations provide, in general, that AFG will pay the associations a portion of the fees AFG earns from accounting and recordkeeping services provided to member funeral homes and cemeteries. AFG's payments to the associations represent compensation for various services the associations provide pursuant to the arrangements.

Additionally, AFG provides economic sponsorship of conferences and other events hosted by the associations. Although AFG's payments to the associations and sponsorship of conferences do not represent compensation to the associations for referrals of their member funeral homes and cemeteries, the existence of such payments does create economic incentives for the associations to recommend AFG to their members over other firms.

## **Item 15 Custody**

### **Institutional Program**

For the Institutional Program, custodial arrangements vary depending on state law, as follows:



***Funeral home and cemetery associations:***

When AFG enters into an advisory agreement with a cemetery or funeral home association, the agreement between AFG and the association is a master investment advisory agreement, and the association is considered AFG's client. In this type of arrangement, AFG acts as escrow agent and has access to client assets. For this reason, AFG is deemed to have custody of client assets.

Where AFG is deemed to have custody of client assets other than solely due to its ability to deduct fees from client accounts, such assets are verified no less than annually through AFG's engagement of a third-party accountant to conduct a review of such assets through surprise examination.

***Bank Clients:***

Certain states require cemeteries or funeral homes who desire the services of AFG to hold their assets in trust at a bank. The bank and the cemeteries or funeral homes serve as trustees, and the bank hires AFG to manage the assets in the trust. State statutes dictate the custodian/trustee relationship with regard to the trust assets. In this scenario, the bank enters into a master investment advisory agreement with AFG, and the bank is considered AFG's client. In this type of arrangement, AFG does not have access to client assets and clients are invoiced by AFG and pay AFG directly for services rendered. AFG is not deemed to have custody of client assets.

***Cemeteries and funeral homes:***

When state regulations permit, AFG may enter into an advisory agreement directly with the cemetery or funeral home. In this scenario, there is no third-party intermediary, and the cemetery or funeral home is considered AFG's client. AFG's fees may be directly deducted from the client's account, as authorized in writing by the client. In this type of arrangement, other than these client-authorized fee deductions, AFG does not maintain or accept custody of client funds or securities.

**Individual Client Services**

Individual client assets are held at a qualified custodian. AFG's fees may be directly deducted from the client's account, as authorized in writing by the client. In this type of arrangement, other than these client-authorized fee deductions, AFG does not maintain or accept custody of client funds or securities.

**Clients Are Urged to Review Custodian's Statements**

AFG typically does not provide reports regarding a client's account as part of our advisory services. Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. If a client receives any report from AFG or a representative of AFG which refers to the value of an asset also shown on a Custodian's statement, we urge the client to compare the information with the statement they receive from the Custodian and contact us immediately if any discrepancies are found.

**Item 16 Investment Discretion**

Generally, we require clients to grant us full authority and discretion, on the client's behalf and at the client's risk to buy, sell, exchange, redeem, and retain investments, and exercise such other powers as we deem appropriate to manage the account.

We have full discretion to: determine the securities to be purchased and sold for an account, the amount thereof, and the timing and terms of each such transaction; the broker-dealer to be used for each transaction and the commission and other charges to be paid in connection therewith; open, close, and modify portfolios in any program; adjust or change the investment allocations of a portfolio, the asset classes that comprise a portfolio, the percentage that any asset class represents of a

portfolio, or the mutual funds or other securities comprising any asset class; and remove, replace, or add to the managers or other third parties, if any, that manage or provide research, model portfolios, or other information or services used in creating, allocating, reallocating, or managing a client's account.

All grants of discretionary authority must be in writing. If a client wishes to impose reasonable limitations on our discretionary authority (such as restrictions on the type of securities held in their account), such limitations must be included in the Advisory Agreement or otherwise submitted to us in writing. The client may change these limitations, as desired, by written instruction to us by mail to the address shown on the cover page of this Brochure.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

We require the client to retain responsibility for voting all account securities. We will not vote proxies, exercise rights, make elections, or take other such actions with respect to securities held for accounts we manage. If desired, a client may instruct us in writing to forward to the client or to a third-party the materials we receive pertaining to proxy solicitations or similar matters. Upon receipt of the client's written instructions, we will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, we will discard proxy and related materials.

Clients may obtain proxy materials by written request to the account's Custodian. For information about how to obtain proxy materials from a Custodian, clients may contact Christopher Chigas, Chief Compliance Officer of AFG, at (312) 655-8200, or by mail to the address on the front of this Brochure. However, we do not provide advice about the issues raised by proxy solicitations or other requests for corporate actions.

### **Class Actions, Other Proceedings, or Exercise of Rights**

Similarly, we do not advise or exercise rights, make elections, or take other actions with respect to legal proceedings involving companies whose securities are or were held for a client's account, such as asserting claims or voting in bankruptcy or reorganization proceedings, or filing "proofs of claim" in class action litigation.

If desired, a client may instruct us in writing to forward to the client or a third party any materials we receive pertaining to such matters. Upon our receipt of such written instructions, we will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, we will discard such materials. Written instructions should be sent by mail to the address shown on the cover page of this Brochure.

## **Item 18 Financial Information**

### **Prepayment of \$1,200 Six Months or More in Advance**

Investment advisers who accept fees of more than \$1,200 per client, six months or more in advance are required to provide their clients an audited balance sheet. Because we do not accept pre-paid fees exceeding \$1,200 per client, six months or more in advance, we have not provided a balance sheet.

### **Disclosure of Certain Financial Conditions**

SEC-registered investment advisers who have custody or discretion over client funds or securities, or who require prepayment of fees exceeding \$1,200 six months or more in advance must disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. On May 5, 2020, the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$290,382 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was necessary and prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. The firm used the PPP funds to continue payroll for the firm's employees, including employees primarily responsible for performing advisory functions for our clients, and make other permissible payments. The loan is forgivable provided the firm satisfies the terms of the loan program.

### **Bankruptcy within Past Ten Years**

Advisers who have been the subject of a bankruptcy petition during the past ten years must disclose certain information about the matter. We have never been the subject of a bankruptcy petition.

## **Item 19 Privacy Notice**

AFG views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. AFG does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, AFG may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc.

AFG restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for AFG. As emphasized above, it has always been and will always be AFG's policy never to sell information about current or former clients or their accounts to anyone. It is also AFG's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of AFG's Privacy Policy, please contact Christopher Chigas, Chief Compliance Officer of AFG, at (312) 655-8200..

## **Item 20 Client Complaints**

Clients may contact Christopher Chigas, Chief Compliance Officer of AFG, at (312) 655-8200 to submit a complaint. Written complaints should be sent to Access Financial Group, Inc., 118 N. Clinton, Suite 450, Chicago, Illinois 60661.