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Firm Brochure

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This brochure provides information about the qualifications and business practices of Noven Financial Group, Inc., (NFG). NFG is a registered investment advisor with the United States Security and Exchange Commission, (SEC). Registration with the SEC does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at 303-782-9100 and/or angiep@novenfinancial.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about NFG is also available on the SEC's website at www.adviserinfo.sec.gov.

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Material Changes

This amended brochure includes the following material changes.

We have updated the Assets Under Management as of December 31, 2014.

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Advisory Business

Noven Financial Group, Inc., (NFG) is a registered investment advisor firm with the United States Securities and Exchange Commission, (SEC). NFG was incorporated in the state of Colorado in 1995. Daniel Noven is the President and sole shareholder of NFG.

NFG offers the following services:

1. Financial planning
2. Investment management
3. Consultations
4. Proprietary Services:
 - a. Quantitative Market Timing Strategy
 - b. Trending Strategy
 - c. Sector Trending Strategy

Financial Planning Services:

NFG prepares financial plans to assist clients in defining and attaining personal financial goals and objectives including but not limited to:

1. Investment planning and strategies
2. Retirement planning
3. Estate planning
4. Tax planning
5. Children's education planning
6. Insurance needs
7. Business planning

Investment Management Services:

NFG provides investment management services to assist clients in investing and monitoring their investment assets. Investment recommendations are based on client's investment suitability including but not limited to the client's objectives, risk tolerance, time horizon and account size. Investment advice is tailored to individual needs of clients.

As of December 31, 2014 NFG managed the following assets:

Discretionary:	\$175,830,888
Non-Discretionary:	\$30,595,079
Total Asset Under Management:	\$206,425,967

Consultations:

NFG may provide consultations for clients upon request. Consultations may be recommended for issues that are not securities related. Consultations may also be requested by clients that are not financial planning and/or investment management clients but would rather pay hourly for consultation services.

Proprietary Services:

NFG offers clients three distinct proprietary strategies which are utilized on an individual basis to achieve investment objectives. These strategies are:

1. Quantitative Market Timing, (QMT)
2. Trending
3. Sector Trending

Fees and Compensation

NFG charges fees for financial planning and investment advice. Fees are based on a percentage of the value of the assets under management. Rates range from 1% to 2 ½% per year depending on the size and complexity of a client's account. Clients electing to utilize one or both of the firm's proprietary strategies are assessed an additional ½% annual fee for the funds invested in the strategies.

Fees are assessed quarterly at the END of each quarter. Fees are calculated as follows: Add the gross asset value at the beginning and ending of each quarter, then divide by two, then multiply by the annual rate, and finally divide by four. For example:

Beginning Quarter Gross Asset Value = \$115,990.
Ending Quarter Gross Asset Value = \$121,380.

$(\text{Beginning Quarter Value} + \text{Ending Quarter Value}) / 2 = \text{Billable Quarterly Value}$
 $(\$115,990 + \$121,380) / 2 = \$118,685$

1.5% annual fee
 $\text{Billable Quarterly Value} \times \text{annual rate} / 4 = \text{quarter fee}$
 $\$118,685 \times .15\% / 4 = \445.06

Clients may select to be billed for fees incurred or have fees deducted directly from their investment accounts. NFG does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Bills are remitted after services have been rendered.

Hourly fees can vary up to \$425 per hour and are payable after the consultation.

The fees are not negotiable. Fees paid to NFG are in addition to any fees charged directly by the mutual fund, investment product, custodian, broker/dealer and/or clearing firm. Clients may incur transaction costs, trading fees, and other account fees charged directly by the custodian, broker/dealer and/or clearing firm. For more details please refer to the Brokerage Practices section of this brochure beginning on page 15.

Each prospective client will receive a copy of this brochure 48 hours in advance of entering into a contract with NFG. If delivery of this brochure occurs at the time of entering into the contract with the applicant, the client will have five business days to terminate the contract without being charged a fee.

Daniel Noven is a licensed insurance producer who is compensated by commission for the sale of any insurance products. The practice of recommending and receiving a commission on an insurance product may present a conflict of interest. Clients are not required to purchase any products from Daniel Noven, NFG or any of its personnel.

Performance-Based Fees and Side-By-Side Management

Not Applicable. NFG does not charge performance-based fees and side-by-side management.

Types of Clients

NFG provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and businesses.

NFG requires a minimum of \$250,000 of investable assets for new clients. However, NFG retains the right to accept or decline any client relationship.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment recommendations are based on client's investment suitability, objectives, risk temperament, time horizon and account size.

NFG utilizes technical analysis of securities. Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

NFG offers clients three distinct proprietary strategies in addition to any other strategies utilized to achieve investment objectives.

1. Trending Strategy: The trending strategy follows the stock market trends in six U.S. market categories, listed below, which fall in and out of favor as a current investment. At any given time, one or more of these six market segments will outperform the others. The objective of the trending strategy is to hold four exchange traded funds and/or three Vanguard Index exchange traded funds that are in the best performing segments of the market.

U.S. Market Categories:

- a. Large Cap Growth
 - b. Large Cap Value
 - c. Mid Cap Growth
 - d. Mid Cap Value
 - e. Small Cap Growth
 - f. Small Cap Value
2. QMT Strategy: The Quantitative Market Timing Strategy (QMT) takes the sum of investment dollars and divides it into six equal amounts corresponding to the above listed six market categories. We use our system to determine if we are "in" any or all segments(s) of the equity market, or "out" of any or all segment(s) of the equity market. At times when we are not fully invested in equity funds, we will use the same type of statistical analysis to determine whether bonds are a favorable investment. If our system tells us that it is not a favorable time to be invested in either stocks or bonds, then the investment dollars or a portion of them will be invested in money market funds.
 3. Sector Trending Strategy: The Sector Trending strategy is similar to the Trending strategy in that the funds are always invested in the market. However, the fund options are very different. The Sector Trending strategy utilizes 13 different and

specific sectors of all markets as follows:

- a. Commodities
- b. Communications
- c. Consumer Discretionary
- d. Consumer Staples
- e. Energy
- f. Financials
- g. Health
- h. Industrials
- i. Natural Resources
- j. Precious Metals
- k. Real Estate
- l. Technology
- m. Utilities

The program invests in the top six sector funds (based on a developed ranking system) with a maximum of two funds in any given sector at one time.

Frequent trading can affect investment performance, particularly through increased brokerage fees, transaction costs and taxes.

NFG uses a base model of Asset Allocation utilizing no-load mutual funds. This Asset Allocation model is split between numerous categories including but not limited to the following:

- Large Cap Value
- Large Cap Blend
- Large Cap Growth
- Mid Cap Value
- Mid Cap Blend
- Mid Cap Growth
- Small Cap Value
- Small Cap Blend
- Small Cap Growth
- International
- World Stocks
- Moderate Allocation
- Bonds

NFG may also recommend ETF's and stocks.

NFG provides investment advice that may be given to clients for long term purchases (securities held at least a year), short term purchases (securities sold within a year) and margin transactions.

Investing in securities involves risk of loss that clients should be prepared to bear. Following are examples of types of risk that you may incur:

- Economic risk (aka systematic risk): Risk inherent to the economy as a whole.
- Market risk (aka Unsystematic risk): Risk of volatility in a market or market sector.
- Inflation risk: Risk that inflation will adversely affect the performance of the investment.
- Interest rate risk: Risk that the value of an investment will change due to a change in interest rates.
- Exchange rate risk: Risk of fluctuations in exchanges rates adversely affecting the value of an investment.
- Liquidity risk: Risk that an investment can't be easily and quickly converted into cash (bought or sold) at a fair price.
- Political risk: Risk that the government will unexpectedly change its policies or implement new regulations, making an investment less attractive. Political risk can also refer to the uncertainty associated with investing in countries with a political climate that is unstable.
- Company risk: Risk that the company invested in fails and goes out of business.
- Financial risk: risk that equity holders have due to a firm's use of debt.
- Reinvestment risk – risk that funds can't be reinvested at the same rate, or at all.
- Manager risk – risk that the mutual fund, or company, will suffer as a result of ineffective, poor or under-performing management or a change in management or manager(s).
- Business risk – risk caused by the nature of a companies business.

Disciplinary Information

NFG has not had any legal or disciplinary events. Consequently, that consideration is not material to our client's or prospective client's evaluation of our advisory business or our management.

Not Applicable.

Other Financial Industry Activities and Affiliations

NFG President Daniel Noven is also President of Noven & Associates, P.C., (N&A). NFG Chief Compliance Officer Anjanette Phetteplace is also Secretary and Treasurer of N&A. N&A is a Certified Public Accounting firm. N&A clients may become NFG clients and NFG clients may become N&A clients. The practice of referring clients of NFG to N&A and vice versa may present a conflict of interest. Clients of NFG are not required to become clients of N&A. Clients of N&A are not required to become clients of NFG.

Daniel Noven is a Colorado licensed insurance producer. He is licensed to sell insurance through Genworth Financial, AIG, Banner Life and West Coast Life., among others. As such he is compensated by commission for the sale of any insurance product. The practice of recommending and receiving a commission on an insurance product may present a conflict of interest. Clients are not required to purchase any products from Daniel Noven, NFG or any of its personnel.

NFG maintains a relationship with Charles Schwab & Co., Inc., (Schwab), and Fidelity Investments, (Fidelity), for brokerage and custody services. We believe Schwab and Fidelity offers very acceptable and timely execution services at competitive prices. If a client chooses to use an alternative brokerage firm they may not receive similar execution services and prices. Clients may select any brokerage firm of their choosing.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

NFG's Code of Ethics consists of the following core principles:

1. The investment interests of NFG clients will be placed ahead of the firm's or any employee's own investment interests.
2. NFG employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client.
3. NFG employees will not take inappropriate advantage as a result of their position with the firm.
4. NFG employees are expected to act in the best interest of each of our clients.
5. NFG employees are expected to comply with federal securities laws.

A copy of our Code of Ethics will be provided to any client or prospective client upon written request.

NFG or its personnel may buy or sell the same securities as clients. For such trades, employees are required to adhere to the firm's policy for personal securities transactions. A conflict of interest may arise if such transactions affect the price or market for the security, or if an employee benefits from purchases or sales made for any client.

Our firm's policy for personal securities transactions is intended to reduce the possibility of any unfair employee trading activities. If a trading violation occurs NFG may impose sanctions as deemed appropriate, including disgorgement of profits, reversal of the trade, suspension of trading privileges, and/or dismissal from the firm.

Brokerage Practices

NFG does not maintain custody of assets that we manage and on which we advise. Assets must be maintained in an account at a “qualified custodian,” generally a broker dealer or bank. We recommend that our clients use Charles Schwab & Co. Inc., (Schwab) and/or Fidelity Investments, (Fidelity) as qualified custodians. Both are registered broker-dealers, and members of the SIPC. NFG is independently owned and operated and is not affiliated with Schwab or Fidelity. Schwab and/or Fidelity will hold assets in a brokerage account and buy and sell securities when instructed by the client or NFG. While NFG recommends that our clients use Schwab and/or Fidelity as custodian/broker, clients will decide whether to do so and will open accounts with Schwab and/or Fidelity by entering into an account agreement directly with them. NFG does not open the account for our clients, although we may assist clients in doing so.

NFG seeks to recommend custodians/brokers who will hold assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength and stability
- Prior service to us and our other clients
- Availability of other products and services

Brokerage and Custody Costs

For our clients’ accounts that Schwab and/or Fidelity maintains, Schwab and Fidelity generally do not charge separately for custody services. They are compensated by charging commissions and other fees on trades that it executes or that settle into Schwab and/or Fidelity accounts. Schwab’s commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at

least \$50 million of their assets in accounts at Schwab. Fidelity's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$50 million of their assets in accounts at Fidelity. These commitments benefit our clients because the overall commission rates paid are lower than they would be otherwise. In addition to commissions, Schwab and Fidelity charge a flat dollar amount as a prime broker or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab or Fidelity account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize trading costs, Schwab and/or Fidelity execute most trades for our clients. NFG has determined that having Schwab and/or Fidelity execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Products and Services Available

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business which serves independent investment advisory firms and their clients. Fidelity Institutional Wealth Services is Fidelity's business which serves independent investment advisory firms and their clients. Fidelity's and Schwab's institutional services provide NFG and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab and Fidelity retail customers. Schwab and Fidelity also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Fidelity's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us so long as our clients collectively maintain a total of at least \$10 million of their assets at Fidelity. If our clients collectively have less than \$10 million in assets at Fidelity, Fidelity may charge us quarterly service fees of \$2,500. Following is a more detailed description of Schwab and Fidelity's support services.

Services that Benefit Our Clients

Schwab's and Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Services That May Not Directly Benefit Our Clients

Schwab and Fidelity also makes available to us other products and services that benefit us but may not directly benefit our clients. These products and services assist us in managing and administering our client's accounts. They include investment research, both Schwab's own, Fidelity's own, and that of third parties. NFG may use this research to service our clients' accounts, including accounts not maintained at Schwab or Fidelity. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

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

Services That Generally Benefit Only NFG

Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab and Fidelity may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Schwab and Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab and Fidelity may also provide us with other benefits, such as occasional business entertainment of our personnel.

NFG may utilize the above services for educational development of personnel and practice management purposes.

The availability of these services benefits us because we do not have to produce or purchase them. We don't have to pay for these services so long as our clients collectively keep \$10 million of their assets in accounts at Schwab and \$10 million of their assets in accounts at Fidelity. These minimums may give us an incentive to recommend that our clients maintain accounts with Schwab and/or Fidelity, based on our interest in receiving their services that benefit our business rather than based on our clients interest in receiving the best value in custody services and the most favorable execution of client

transactions. This is a potential conflict of interest. NFG believes, however, that our selection of Schwab and Fidelity as custodians and brokers is in the best interest of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's and Fidelity's services and not Schwab's and Fidelity's services that benefit only us. NFG has \$206,425,967 in client assets under management as of December 31, 2014. We do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab and \$10 million of those assets at Fidelity in order to avoid paying quarterly service fees will present a material conflict of interest.

Block Trading

NFG aggregates QMT, Trending and Sector Trending trades triggered by our monitoring system for accounts held at Schwab and Fidelity separately. These trades will be placed in our respective block account and then allocated to respective client accounts with an average respective price per share. Trades that are recommended on an individual account basis will not be aggregated. These trades will be placed directly in the client's account(s). The share price is the market price at the time the trade is placed.

Review of Accounts

NFG periodically reviews managed accounts. Managed accounts are reviewed regularly but no less than annually. The calendar is the triggering factor for managed account reviews. Daniel Noven, President of NFG performs these reviews.

The QMT strategy is reviewed no less than weekly. The triggering factor is the fund movement above or below the 39 week average and/or a certain percent above or below the peak and trough. Anjanette Phetteplace, Chief Compliance Officer, (CCO), and Geraldine Janiczek, Financial Planning Associate, (FPA) perform the QMT reviews.

The Trending strategy is reviewed no less than every six weeks. The triggering factor is the relative ranking compared to the other funds considered in our strategy. Anjanette Phetteplace, CCO, and Geraldine Janiczek, FPA, perform the Trending reviews.

The Sector Trending strategy is reviewed no less than every six weeks. The triggering factor is the relative ranking compared to the other funds considered in our strategy. Anjanette Phetteplace, CCO, and Geraldine Janiczek, FPA, perform the Sector Trending reviews.

Financial Plans are reviewed upon client request. Daniel Noven, President, performs financial plan reviews.

NFG prepares quarterly summaries which are made available to clients at their request and are made available at all meetings with clients. All clients receive copies of their account statements from the broker/custodian at least quarterly but possibly as frequently as monthly.

Client Referrals and Other Compensation

NFG receives an economic benefit from Schwab and Fidelity in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab and Fidelity. These products and services, how they benefit NFG, and the related possibility of conflicts of interest are described in the Brokerage Practices section of this brochure, please see page 15. The products and services provided by Schwab and Fidelity are not based on specific investment advice, such as buying particular securities for our clients.

Custody

NFG does not maintain custody of assets that we manage and on which we advise. Assets must be maintained in an account at a “qualified custodian,” generally a broker dealer or bank. Schwab, Fidelity and/or the client’s custodian of choice maintain actual custody of client’s assets. Clients will receive account statements directly from Schwab, Fidelity and/or their custodian at least quarterly. They will be sent to the email or postal mailing address the client provided. Clients should carefully review those statements promptly when received.

Investment Discretion

Clients may provide NFG with discretionary authority. Clients will need to execute a Limited Power of Attorney Agreement with the custodian/broker-dealer company, such as Schwab or Fidelity. Limited Power of Attorney agreements allow NFG to execute trades in client accounts, disburse assets for investment purposes, remit checks, wire funds and otherwise make disbursements of funds held in the account to banks, broker-dealers, investment companies or other financial institutions for credit to an account of identical registration or to the account holder's address of record. NFG is not authorized to request disbursements from client accounts payable to third parties. Any third party requests must be signed by the account owner.

Voting Client Securities

NFG does not have authority to vote on client securities. Clients will receive proxies directly from their custodian or transfer agent. Clients are responsible for voting their own proxies.

Financial Information

Not Applicable. NFG does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Bills are remitted after services have been rendered.

Requirements for State-Registered Advisers

Daniel Albert Noven is President and advisor of Noven Financial Group, Inc., President of Noven & Associates, P.C. and a licensed insurance producer. Daniel Noven has a Ph.D. in Business Administration with an emphasis in Behavioral Finance and Psychology, a Master of Taxation, (MT), and Bachelor of Science in Finance. He is a Certified Public Accountant, (CPA), and a Chartered Retirement Plan Specialist[®], (CRPS[®]). He is Certified in Financial Forensics, (CFF), and is also certified as a Personal Financial Specialist, (PFS) both by the American Institute of Certified Public Accountants.

Anjanette Monique Phetteplace is the Chief Compliance Officer, and advisor at Noven Financial Group, Inc., and Secretary and Treasurer at Noven & Associates, P.C. Anjanette has been employed with Noven Financial Group, Inc. and Noven & Associates, P.C. since March of 2001. Anjanette Phetteplace has a Bachelor of Science in Accounting. She is a Certified Public Accountant, (CPA), and Certified Financial Planner[®], (CFP[®]).

Geraldine Ann Janiczek is a Financial Planning Associate and advisor at Noven Financial Group, Inc. Geraldine Janiczek has a Master of Science in Financial Services, (MSFS). She is a Chartered Financial Consultant[®], (ChFC[®]) and an Accredited Estate Planner[®], (AEP[®]). Prior to joining NFG, Geraldine Janiczek was an advisor at Columbia Benefits, LLC., from July, 2003 to March, 2008. She was also an advisor and Managing Director at Janiczek & Company, Ltd., from 1991 to 2002.