

Part 2A of Form ADV: Firm Brochure

This Document is the Firm Brochure of Abacus Financial Group, Inc.

March 31, 2011

Item 1 Cover Page

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This brochure provides information about the qualifications and business practices of Abacus Financial Group, Inc. If you have any questions about the contents of this brochure, please contact Judith Ann Calder, CEO at 312 480 0463 or at jcalder@abacusfgi.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Abacus Financial Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

As of March 31, 2011, Abacus Financial Group, Inc. has no material changes to report.

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Item 4 Advisory Business

- A. Abacus Financial Group, Inc. ("Abacus"), headquartered in Northbrook, IL, is a fixed income institutional investment management firm established in June of 2010. Abacus is 100% owned by its Chief Executive Officer, Judith Ann Calder, and has no parent, subsidiary, or affiliates.
- B. Abacus offers fixed income portfolio management services for institutional investors. Abacus specializes in managing portfolios of corporate bonds. Abacus sole activity is management of fixed income securities.
- C. Abacus structures portfolios based on the guidelines and requirements of specific clients. Abacus clients may impose restrictions on investment in certain securities or types of securities.
- D. Abacus does not participate in any wrap fee programs.
- E. As of March 30, 2011 Abacus manages zero *client* assets on a *discretionary basis*. As of March 30, 2011 Abacus manages approximately \$37 Million in client assets on a non-*discretionary* basis.

Item 5 Fees and Compensation

- A. Abacus is compensated for its advisory services under performance based fee arrangements. Abacus standard fee is 1% of assets under management plus a share equal to 20% of the gains or appreciation of the assets of a client. Abacus fees are negotiable.
- B. Abacus clients calculate fees due on a monthly basis.
- C. Abacus clients do not pay for any expenses. Clients may incur brokerage and other transaction costs. For a further discussion of brokerage and other transaction costs see Item 12, Brokerage Practices.
- D. Abacus clients do not pre-pay fees.
- E. Abacus Chief Executive Officer, Judith Ann Calder, does not accept compensation for the sales of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 *Performance-Based Fees* and Side-by-side management

Abacus is paid performance-based compensation by its client. Abacus manages assets for one client at the present time.

Item 7

Types of Clients

Abacus manages assets for one client; future clients may include investment companies, pension plans, state and municipal government entities, endowments and foundations. Abacus imposes a minimum of \$1,000,000 to open a fixed income account (this minimum is negotiable and can be waived).

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

- A. Abacus investment strategy is based on the client's investment guidelines and performance benchmark, typically an index. Abacus reviews index information specifically historical performance, asset allocation, sector, yield curve, average maturity or duration and individual security membership.

Abacus Corporate Bond Strategy identifies securities for inclusion in a client's portfolio which meet the following requirements;

- a. Liquidity and Transparency – Abacus looks for bonds which are traded on a daily basis. Bonds must be easily identified in Bloomberg and information on the issuer, and the individual securities price history must be available.
 - b. Index Eligibility – Abacus looks for bonds whose size and other characteristics cause them to be included in Indices such as the Barclays Aggregate Index. If Abacus purchases a bond in the secondary market it must be priced at or near the previous days index price.
 - c. Ratings – Abacus does not require a specific rating, however bonds must be rated. Subject to clients investment guidelines Abacus would consider bonds rated in the lowest categories by Standard and Poors, Moodys and Fitch.
 - d. Maturity – Abacus is biased toward those securities with maturities of ten years or less. Securities with maturities longer than 10 years experience greater price volatility.
- B. Client portfolios invested in fixed income securities have the risk of loss. Fixed income securities can fluctuate in value dramatically due to changes in interest rates, geo political factors, economic conditions as well as the actions of the Federal Reserve in the United States. Market conditions can cause a general lack of liquidity and bonds may be difficult to sell.
- C. Corporate bond prices are particularly sensitive to changes in the US and the world economy. Geo political events in a market sector or region can affect the pricing and the liquidity of corporate bonds. The financial condition of the issuer and the industry can affect the price of corporate bonds. Downward ratings changes or revisions in earnings estimates, lawsuits and US regulatory actions can also affect the pricing of corporate bonds.

Item 9 Disciplinary Information

Neither Abacus Financial Group, Inc. nor its Chief Executive Officer has been the subject of any legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

This item is not applicable.

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

- A. Abacus has adopted a Code of Ethics (the “Code”) expressing the firm’s commitment to ethical conduct. All employees are subject to the Code.

Employees are prohibited from buying securities for their personal accounts that may be identical to those recommended to clients.

Clients or prospective clients may obtain a copy of the Code by contacting Judith Ann Calder, Chief Executive Officer, by email at jcalder@abacusfgi.com, or by telephone at 312-480-0463.

On a monthly basis employees must provide the Chief Executive Officer with copies of statements for any brokerage accounts which hold any securities other than mutual funds. The Chief Executive Officer’s approval is required for employees to open new brokerage accounts.

Abacus CEO, Judith Ann Calder, does not participate in Client transactions and does not buy or sell fixed income securities for her personal accounts.

Item 12 Brokerage Practices

- A. Abacus maintains an Approved Broker List and executes trades only with brokers on the list. Brokers are evaluated by weighing such factors as financial condition, trading expertise, electronic trading capabilities, inventory, and participation in the new issue market.

1. Abacus does not participate in any research or soft dollar arrangements with broker-dealers.
2. Abacus does not participate in any Brokerage for *Client* Referrals arrangements.
3. Abacus does not participate in Directed Brokerage arrangements.

- B. Abacus has one client and does not aggregate the purchase or sale of securities for its client account.

Item 13 Review of Accounts

- A. Abacus Chief Executive reviews activity in its client account on a daily basis.
- B. Abacus may review a client account multiple times on a daily basis to confirm status of orders and to identify potential settlement problems.
- C. Abacus provides written reports to its client by email or through Bloomberg on a daily basis or upon request.

Item 14 *Client* Referrals and Other Compensation

- A. Abacus does not participate in any arrangements whereby someone other than its client provides an economic benefit for its activities on behalf of its client. Abacus does not receive any sales awards or other prizes.
- B. Abacus does not provide compensation for client referrals.

Item 15 *Custody*

Abacus does not have custody of any client funds.

Item 16 Investment Discretion

Abacus provides investment advisory services on a non discretionary basis to its sole client.

Item 17 Voting *Client* Securities

Abacus does not have the authority and will not accept the authority to vote *client* securities.

Item 18 Financial Information

- A. Abacus does not require nor does it solicit prepayment of any *client* fees.
- B. Abacus does not have *discretionary authority* or *custody* of *client* funds.
- C. Neither Abacus, nor its Chief Executive Officer, has been the subject of a bankruptcy petition at any time.