



**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Investors Financial Group. If you have any questions about the contents of this brochure, please contact Tim Gaarder at 763-525-0001 or at [timothy.gaarder@lpl.com](mailto:timothy.gaarder@lpl.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.

Additional information about Investors Financial Group is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for our firm name, Investors Financial Group or by our firm's CRD number, which is **154168**.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## Item 2 – Material Changes

Since our last annual update was filed in February 2016, the following material changes have been made to this disclosure brochure:

- The firm has enhanced the conflicts of interest disclosures contained in ***Item 4 Services Fees and Compensation and Item 9 Additional Information***.
- The firm has ceased using Curian Capital as a third party money management firm.

If you participate in the CAS Program, which is the wrap fee program sponsored by Investors Financial Group, LLC, then we will ensure that you receive a summary of material changes, if any, to this and subsequent wrap fee brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current wrap fee brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Services, Fees and Compensation**

Investors Financial Group LLC (referred to as “Investors Financial Group”, “we” or “us” throughout this document) sponsors the Comprehensive Advisory Service program (referred to as “CAS Program”). The CAS Program is a wrap-fee program. Only IARs of Investors Financial Group may represent us in the CAS Program. Therefore, participants in the CAS Program must be advisory clients of Investors Financial Group. All clients must execute a *Comprehensive Advisory Services Agreement* prior to establishing an account(s) through the CAS Program. We use a separate version of the *Comprehensive Advisory Services Agreement* for institutional clients than for non-institutional clients. Non-institutional clients will execute the Comprehensive Advisory Services Agreement (standard version) and institutional clients participating in the CAS Program will execute the Institutional Consulting and Advisory Services Agreement (institutional version). Additionally, all clients must enter a separate custodial/clearing agreement with LPL, or as applicable, the alternative custodian as selected by the institutional client.

We provide investment advisory services other than the CAS Program described in this Appendix. A description of all fee-based investment advisory services that we provide is available in Form ADV Part 2A. Our investment advisor representatives (referred to as “IARs”) may also provide securities advice through their capacity as registered representatives of LPL Financial (referred to as “LPL Financial” or “LPL”), a broker/dealer, member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investors Protection Corporation (“SIPC”). In their separate capacities as registered representatives of LPL Financial, our IARs may charge commissions on a per-transaction basis when implementing their advice on behalf of clients. Investors Financial Group and LPL Financial are unaffiliated companies.

When making the determination of whether one of the advisory programs available through Investors Financial Group is appropriate for your needs, you should bear in mind that fee based accounts, when compared with commission based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Some such factors are account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation.

You should have a conversation with your advisor representative and read this Appendix carefully as it explains, in detail, the CAS Program.

#### **The CAS Program sponsored by Investors Financial Group LLC**

The CAS Program has been developed through an arrangement with LPL whereby Investors Financial Group utilizes LPL Financial’s Strategic Wealth Management platform. We offer the CAS Program to individual clients, as well as to clients that are trusts, estates, or charitable organizations. Through CAS, we provide investment advisory services, including providing continuous investment advice to you (the client) and making investments for you based on your specific needs, objectives, and risk tolerance. Through this service, we offer a customized and individualized investment program for clients. While individual securities may be used in portfolio construction, client portfolios will primarily use pooled investments, such as mutual funds, index mutual funds and index-linked exchange traded funds. If appropriate, we may also use certain private placement investments, based on investor qualifications. Asset allocation will be the underlying investment discipline for the CAS.

We will obtain from you information to determine your individual financial situation and investment objectives. Each account is managed on the basis of each client's financial situation and investment objectives. We shall be reasonably available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. You are responsible for notifying us of changes to your financial situation or investment objectives, or if you want to impose and/or modify any reasonable restrictions on the management of your accounts under the CAS Program. At least annually, we contact individual clients to determine whether their financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of their accounts. A client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account.

CAS accounts are established at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for clients of Investors Financial Group through the CAS. LPL provides clearing, custody and other brokerage services for accounts established through the CAS. Therefore, you will be required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for each client. Each client retains all rights of ownership of their accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

CAS accounts allow you to authorize us to purchase and sell investments for your portfolio on a discretionary basis. Our discretion with respect to your account and the securities eligible to be purchased for your account may be limited according to parameters mutually agreed upon by you and us. Upon establishment of a CAS account, an IAR of Investors Financial Group will be granted trading authorization on your account. If you authorize us with the ability to manage accounts on a discretionary basis, such authorization will be memorialized in the *Comprehensive Advisory Services Agreement*. This authority will allow us to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

### **The CAS Program: Institutional Consulting & Advisory Services for Institutional Clients**

Consulting & Advisory services to institutional clients may be provided via the Comprehensive Advisory Service wrap-fee program developed through an arrangement using LPL's Strategic Wealth Management platform, or alternatively, subject to the discretion of Investors Financial Group, may be provided outside of the wrap-fee program in instances where the institutional client has directed us to use a custodian other than LPL. For the institutional clients, we will assist the client with the development and/or review of a written Investment Policy Statement (IPS), provide research on the funds used in portfolio construction and prepare periodic investment performance reports.

### **Block Trading**

Investors Financial Group may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and may be used by us when we believe such action may prove advantageous to clients. If and when we aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fee or other transaction costs that

might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither Investors Financial Group nor its associated persons will receive any additional compensation or remuneration as a result of block trades.

### **Suitability and Investment Strategy**

Investors Financial Group will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening a CAS account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (securities held at least a year); short term purchases (securities sold within a year); trading (securities sold within 30 days), margin transactions; and option writing, including covered options, uncovered options or spread strategies.

### **Termination of Services**

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, Investors Financial Group will provide you with a prorated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination will be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge upon termination.

### **CAS Fees – CAS I v. CAS II**

The annual investment advisory fee charged will be according to the following schedule:

#### **Non-Institutional Accounts**

<u>Account Value</u>	<u>Fee</u>
\$0 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.75%
\$1,000,000 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	.75%
Over \$10,000,000	.50%

#### **Institutional Consulting & Advisory Accounts**

<u>Account Value</u>	<u>Fee</u>
\$1,000,000 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	.75%
Over \$10,000,000	.50%

While it is not the policy of Investors Financial Group to accept any new accounts using a fee schedule other than shown above, varying workloads between clients can mean some variability of fees and fees may be negotiated by us at our sole discretion. The exact fee for services will be agreed upon and disclosed in the agreement for services prior to services being provided. We require that the Institutional Plan Account have a minimum value of one million dollars (\$1,000,000). At our discretion, we may waive this minimum account requirement.

The annual fee will be divided and payable quarterly in advance through a direct debit in your account. For all accounts custodied at LPL, LPL is responsible for calculating and debiting all fees from client accounts. In instances where an institutional client has designated and Investors Financial Group has agreed to an alternative designated custodian, then the alternative designated custodian is responsible for calculating and debiting all fees from client accounts. You must provide the custodian written authorization to debit advisory fees from your accounts and pay such fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

You may open a CAS I or CAS II account. In a CAS I account, in addition to the investment advisory fee, you will pay certain transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. In the CAS II account, you do not pay transaction charges associated with trade execution.

Institutional clients whose accounts are held at LPL will not be charged a custodial fee for assets held at LPL and transaction and ticket fees charged by LPL will not be billed directly to the Account. For the institutional clients Accounts held at LPL, Investors Financial Group will pay all transaction and execution costs.

If an Institutional Client has directed us to use a custodian other than LPL, then that alternative custodian may charge a custodial fee, and the broker-dealer that will execute the transactions for the Account may bill transaction costs and ticket fees directly to the Institutional Client's Account. Institutional clients should refer to the separate client agreement(s) with the custodian and the executing broker-dealer for a description of the charges that may be billed to the client's account by the custodian and by the executing broker-dealer.

Clients may incur certain charges imposed by third parties other than Investors Financial Group in connection with investments made through the account including, but not limited to, mutual fund expenses and management fees, IRA and qualified retirement plan fees. Management fees charged by us (which include transaction and execution fees charged by LPL for CAS II accounts and for all Institutional Client accounts custodied at LPL) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

For non-institutional clients, we do not always charge a lower advisory fee for CAS I accounts versus CAS II accounts. Therefore, there is the potential for CAS I account clients to pay higher overall costs which are derived from the amount of trading activity within an account. This is because transaction costs are passed along to the client in CAS I accounts whereas transactions costs are covered under the overall fee charged for CASII accounts.

For institutional clients, we do not always charge a lower advisory fee for CAS Program II accounts than for accounts receiving institutional consulting and advisory services outside of the CAS Program, at a custodian directed by you. Therefore, there is the potential for accounts that are outside of the CAS Program II to pay higher overall costs which are derived from the amount of trading activity within an account. This is because transaction costs are passed along to the client for accounts outside the CAS Program II, whereas transaction costs are covered under the overall fee charged for institutional clients with CAS Program II accounts.

As disclosed below in this section, Investors Financial Group receives compensation as a result of providing services to client CAS accounts. We therefore have a financial incentive to recommend a CAS account over other programs or services. The amount of our compensation may be more than what we would receive if you participated in programs sponsored by other financial firms or paid separately for investment advice, brokerage, and other services.

### **Additional Compensation, Economic and Non-Economic Benefits**

While there is no direct linkage between the investment advice given to clients and our recommendation of LPL, economic benefits may be provided by LPL to Investors Financial Group that will not be provided if you select another broker/dealer or account custodian. These benefits may include negotiated costs for transaction implementation, a dedicated trade desk that services LPL participants exclusively, a dedicated service group and an account services manager dedicated to accounts of Investors Financial Group, access to a real-time order matching system, electronic download of trades, balances and position information, access, for a fee, to an electronic interface with the account custodian's software, duplicate and batched client statements, confirmations and year-end reports.

Certain investment adviser representatives of Investors Financial Group are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Investors Financial Group. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from Investors Financial Group, you will not receive the benefit of the advice and other services we provide.

If client transactions are executed through LPL or any insurance company with whom representatives are licensed, our IARs may receive normal commissions.

We do not have any verbal or written agreements whereby we receive soft dollars from a broker/dealer firm. We do not pay for any research received from LPL or any other broker/dealer. The IARs of Investors Financial Group who are registered representatives or insurance representatives may be eligible to receive various incentives that may be based upon production levels. These incentives may include marketing reimbursements, educational conference trips or discounts on various software or investment-related research materials. Investors Financial Group may also be provided with various newsletters or publications from financial services firms as a customary consideration.

## **Item 5 – Account Requirements and Types of Clients**

### **Opening an Account**



To open a CAS account, a services agreement (the *Comprehensive Advisory Services Agreement*) between you and Investors Financial Group must be executed setting forth the terms and conditions, including the amount of investment advisory fees, under which we will manage your assets. Institutional clients participating in the CAS II Program will execute the Institutional Consulting and Advisory Services Agreement.

In addition, you will be required to establish a brokerage account through the LPL Financial Strategic Wealth Management platform, or institutional clients who have designated an alternative custodian will be required to enter a separate custodial/clearing agreement with the alternative custodian.

### **Minimum Account Size**

For non-institutional clients, we do not require a minimum account size to open a CAS account. For Institutional Consulting & Advisory Services, we require that the Institutional Plan Account have a minimum value of one million dollars (\$1,000,000). At our discretion, we may waive this minimum account requirement.

### **Types of Accounts**

Investors Financial Group generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

## **Item 6 – Portfolio Manager Selection and Evaluation**

Investors Financial Group and its Investment Adviser Representatives act as the portfolio manager(s) for the CAS Program, which is a wrap fee program. The CAS Program does not allow the use of portfolio managers that are not associated with Investors Financial Group. In other words, the only portfolio managers selected for managing client assets in the CAS Program are Investment Adviser Representatives of Investors Financial Group. Therefore, conflicts of interest present in other wrap-fee programs that make available both affiliated and unaffiliated portfolio managers are not present in the CAS Program. Because the CAS Program does not provide for a multitude of outside portfolio managers, Investors Financial Group does not have procedures designed to select outside portfolio managers. Many of the disclosures required by the Item 6 Wrap Fee Program Brochure instructions do not apply to Investors Financial Group. The disclosures that do apply are answered below.

### **Participation in Wrap Fee Programs**

Investors Financial Group offers services through both wrap-fee programs and non-wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee is charged to a client for advisory services (whether

wrap fee or non-wrap fee advisory services), Investors Financial Group will receive all or a portion of the fee charged.

### **General Description of Other Advisory Services**

In addition to the Comprehensive Advisory Service, which is a wrap-fee asset management service, Investors Financial Group provides advisory services including Retirement Plan Consulting for Defined Contribution Plans; Institutional Consulting & Advisory Services; Financial Planning Services and various advisory services through LPL Financial Sponsored Advisory Programs. A detailed description of these other advisory services is provided in Investor Financial Group's Form ADV Part 2A Disclosure Brochure, which is available to wrap fee clients upon request.

### **Limits Advice to Certain Types of Investments**

Investors Financial Group provides investment advice on the following types of investments:

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign Issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Private placement investments, including funds of hedge funds and other similar vehicles

Investors Financial Group does not provide advice on warrants, options contracts on commodities, or futures contracts on tangibles or intangibles.

When providing asset management services, Investors Financial Group typically constructs each client's account holdings using index-linked exchange traded funds (ETFs), mutual funds and, in some cases, individual fixed income and equity securities to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may make periodic adjustments to a client's asset allocation or increase cash holdings modestly as deemed appropriate, based on the client's risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

Investors Financial Group's services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one

basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

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

Investors Financial Group **does not charge or accept performance-based fees.** Performance based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Methods of Analysis**

Investors Financial Group uses the following methods of analysis in formulating investment advice:

**Cyclical.** Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

**Fundamental.** A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

### **Investment Strategies**

Investors Financial Group uses the following investment strategies when managing client assets and/or providing investment advice:

**Long term purchases.** Investments held at least a year.

**Short term purchases.** Investments sold within a year.

**Trading.** Investments sold within 30 days.

**Margin transactions.** When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Investors Financial Group.

**Option writing including covered options, uncovered options, or spreading strategies.** Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **Risk of Loss**

You should understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program, including but not limited to:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our firm invests in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Voting Client Securities**

Investors Financial Group and its IARs do not perform proxy-voting services on your behalf. You are instructed to read through the information provided with any proxy-voting documents and to make a determination based on the information provided. Upon request from you, an IAR may provide limited clarifications of the issues presented in the proxy voting materials based on the IAR's understanding of issues presented in the proxy-voting materials. However, you will have the ultimate responsibility for making all proxy-voting decisions for securities held in accounts managed by us. You will receive proxies directly from your custodian or transfer agent and such documents will not be delivered by Investors Financial Group.

### **Item 7 – Client Information Provided to Portfolio Managers**

Because only Investment Adviser Representatives of Investors Financial Group serve as portfolio managers for the CAS Program, the Investment Adviser Representatives are responsible for gathering all information provided by clients. Investment Adviser Representatives will interview and work with clients to gather all information needed relative to the client's investment objectives and needs in order to provide management services through the CAS Program. Clients are responsible for promptly contacting their Investment Adviser Representative to notify of any changes to the client's financial situation that will impact or materially influence the way Investors Financial Group manages the client's accounts.

### **Item 8 - Client Contact with Portfolio Managers**

Because only Investment Adviser Representatives of Investors Financial Group serve as portfolio managers for the CAS Program, there are no restrictions placed on the clients' ability to contact and consult with their portfolio managers. It is the policy of Investors Financial Group to provide for open communications between the Investment Adviser Representatives and clients. Clients are encouraged to contact their Investment Adviser Representative whenever the client has questions about the management of their account(s).

## **Item 9 - Additional Information**

### **Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. Investors Financial Group has no information applicable to this Item.

### **Other Financial Industry Activities and Affiliations**

#### **Registered Representatives with LPL**

Our associated persons are involved in business activities other than providing services through Investors Financial Group. All of our associated persons are registered representatives with LPL Financial, and some are independently licensed insurance agents.

When acting in the separate capacity as a registered representation with LPL Financial ("LPL"), our IARs may offer securities and receive normal and customary commissions as a result of securities transactions. This results in commissions being paid to the IAR in his or her capacity as a registered representative.

At your option, you may request that the IAR in the IAR's separate capacity as a registered representative, render securities brokerage services under a commission arrangement. Under such an arrangement, you may implement securities transactions through the IAR in the IAR's respective individual capacity as a registered representative of LPL, a registered broker/dealer and member of the Financial Industry Regulatory Authority ("FINRA"). Brokerage commissions may be charged by LPL to effect these securities transactions and, thereafter, a portion of these commissions may be paid by LPL to the IAR as a registered representative of LPL. Prior to effecting any transactions, you will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, registered representatives may receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you (the client) maintain the mutual fund investment.

Depending on the type of LPL account that is used to implement a financial plan, such compensation may include (but is not limited to) advisory program wrap fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with LPL's insured deposit account program; administrative services fees for trust accounts; referral fees; and bonuses, awards or other things of value offered by LPL to Advisor.

Compensation to the IAR and LPL may be more or less depending on the products or services recommended. Therefore, Investors Financial Group may have a financial incentive to recommend that a financial plan be implemented using certain products or services.

### **Forgivable Loans**

Certain representatives of Investors Financial Corp may have received a loan from LPL Financial, LLC designed to assist Investors Financial Corp. with transitioning its investment adviser representatives from their former broker-dealer to LPL Financial, LLC. Although the loan was intended to assist Investors Financial Group and its representatives with transition costs, to the extent that the amount of the loan exceeds the costs of transition, loan recipients are not required to refund the unused portion to LPL Financial, LLC and may use the funds for other purposes. The loans made to the representatives may be forgiven by LPL Financial, LLC based upon the amount of commissions and investment advisory fees charged by Investors Financial Group while affiliated with LPL Financial, LLC during the term of the loan.

The receipt of forgivable loans from LPL Financial, LLC presents a conflict of interest in that representatives receiving loans had a financial incentive to maintain a relationship with LPL Financial, LLC and continue recommending LPL Financial, LLC to clients until all loans are forgiven. To the extent that Investors Financial Group or its representatives recommend a client use Securities America for such services, it is because Investors Financial Group and its representatives believe that it is in the client's best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial, LLC and its affiliates. To further control for this conflict of interest, clients are not required to LPL Financial, LLC and can use another Investors Financial Group approved brokerage platform. Investors Financial Group has systems in place to review representative managed accounts for suitability and best execution practices over the course of the advisory relations

### **Independently Licensed Insurance Agents**

In their capacity as insurance agents, the IARs may offer insurance products and receive normal and customary commissions as a result of any client's purchase of insurance. This presents a conflict of interest to the extent that the IAR may recommend the purchase of an insurance product which results in a commission being paid to the IAR as an insurance agent.

### **Other Affiliations**

Investors Financial Group is not and does not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- Other investment advisor or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm

- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

### **Interest in Client Transactions and Code of Ethics**

Investors Financial Group or any related person does not act as a principal (buy securities for itself or sell securities it owns to any client) for any CAS account. Investors Financial Group or any related person does not effect transactions in which client securities are sold to or bought from a brokerage (commission-only) client.

Investors Financial Group or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is our express policy that all persons associated with us in any manner must place the interests of our clients ahead of their own when implementing personal investments. Investors Financial Group and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by us are widely held and publicly traded.

### **Code of Ethics**

All investment advisers are required to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that applies to all of our associated persons. As a fiduciary, it is our responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of those of Investors Financial Group or the investment interests of its supervised persons. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. We and our supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if you wish to review our Code of Ethics in its entirety, we will provide you a copy promptly upon receipt of your request.

### **Account Reviews**

An investment adviser representative will contact each client with a CAS account at least annually for the purpose of reviewing the client's account and to determine if there are updates to the client's financial situation or investment objectives. The calendar is the main triggering factor for such reviews, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market. The underlying portfolios used to manage client accounts and holdings within those portfolios are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as



daily, but no less than monthly. The investment adviser representative who primarily services client's account is responsible for conducting the reviews of that client's account.

### **CAS Account Statements and Reports**

During any month that there is activity in the CAS account the client receives a monthly account statement from LPL Financial showing account activity as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within the CAS account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL Financial. For any accounts that are held at a custodian other than LPL, the account statements will be issued by the designated account custodian and LPL will not prepare a quarterly performance report for such accounts. However, Investors Financial Group issues a quarterly comprehensive investment performance report prepared by Investors Financial Group to all institutional clients. Clients should carefully compare any reports received directly from Investors Financial Group against the statements received from the custodian and should immediately report any discrepancies to Investors Financial Group and/or the account custodian.

### **Client Referrals**

Investors Financial Group does not directly or indirectly compensate anybody for client referrals.

### **Other Compensation – Expense Reimbursement**

From time to time, Investors Financial Group or its Investment Adviser Representatives may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/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 is 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. We endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact our judgment when making advisory recommendations.

### **Other Broker-Dealer Compensation**

Investors Financial Group and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to Investors Financial Group and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any

such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

### **Brokerage, Clearing and Custody**

The LPL Strategic Wealth Management platform is used for all CAS accounts and therefore LPL will be used as the introducing and clearing broker/dealer. As described above, our IARs may also be registered representatives of LPL and are required to use the services of LPL when acting in their capacity as registered representatives. LPL has a wide range of approved securities products for which LPL performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Because our IARs may also be registered representatives of LPL, Investors Financial Group may receive support services and/or products from LPL Financial, which assist us to better monitor and service the CAS accounts maintained at LPL Financial. These support services and/or products may be received without cost and/or at a discount, and may include investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, consulting services, attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us in furtherance of our investment advisory business operations.

LPL will be the primary broker/dealer and custodian recommended due to couriers' relationship with LPL. Investors Financial Group recommends broker/dealers and custodians that we believe will provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to couriers' relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals. For advisory services provided to institutional clients, LPL does allow us to provide advisory services through broker/dealers and custodians that are selected by the institutional client.

If an institution client directs the use of a particular broker/dealer or other custodian, that client understands that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, the client may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed trades may be placed by us after effecting non-directed trades for our other clients. When we implement trades on an aggregated basis, it is not possible to include client-directed trades with the aggregated trades executed through a broker/dealer or custodian recommended by us.

### **Benefits Received by Investors Financial Group Personnel**

LPL Financial makes available to Investors Financial Group various products and services designed to assist Investors Financial Group in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of Investors Financial Group's accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research,

pricing information and other market data; facilitate payment of Investors Financial Group's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to Investors Financial Group other services intended to help Investors Financial Group manage and further develop its business. Some of these services assist Investors Financial Group to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only Investors Financial Group, for example, services that assist Investors Financial Group in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Investors Financial Group in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to Investors Financial Group to cover the cost of such services, reimburse Investors Financial Group for the cost associated with the services, or pay the third party vendor directly on behalf of Investors Financial Group.

The products and services described above are provided to Investors Financial Group as part of its overall relationship with LPL Financial. While as a fiduciary Investors Financial Group endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because Investors Financial Group's [requirement, request or recommendation] that clients custody their assets at LPL Financial is based in part on the benefit to Investors Financial Group of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. Investors Financial Group's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

### ***Transition Assistance Benefits***

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at their prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at [his/her] prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to associated persons of Investors Financial Group in their capacity as registered representatives of LPL Financial. However, the receipt of

Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to Investors Financial Group's advisory business because it creates a financial incentive for Investors Financial Group's representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore Investors Financial Group has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

Investors Financial Group attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. Investors Financial Group considers LPL Financial's service, technology and pricing when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

## **Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year with this Brochure Appendix. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

## **Item 10 - CUSTOMER PRIVACY POLICY**

**Commitment to Your Private Information:** Investors Financial Group ("IFG") has a policy of protecting the confidentiality and security information IFG collects about our clients. IFG does not, and will not, share nonpublic personal information about Client ("Information") with outside third parties without Client's consent, except for the specific purposes described below. This notice has been provided to Client to describe the Information IFG may gather and the situations under which IFG may need to share it.

**Why Advisor Collects and How Advisor Uses Information.** IFG limits the collection and use of Information within our firm to only those individuals associated or employed with IFG that must have Information to provide financial services to Client. Such services include maintaining Client's accounts, processing transaction requests, providing financial planning, retirement plan consulting, comprehensive advisory and other services described in our Form ADV.

**How Advisor Gathers Information.** IFG gets most Information directly from Client when Client provides IFG with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in Client's account (for example: trading history and account balances)

- Information services and consumer reporting sources (for example: to verify Client's identity or to assess Client's credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How Advisor Protects Information.** Employees and affiliated persons of IFG are required to protect the confidentiality of Information and to comply with IFG's stated policies. They may access Information only when there is an acceptable reason to do so, such as to service Client's account or provide Client with financial services. Employees who violate IFG's Privacy Policy are subject to disciplinary action, up to and including termination from employment with IFG. IFG also maintains physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** IFG does not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with the providing services to Clients. Unrelated third parties may include broker/dealers; including broker-dealer firms with supervisory obligations over certain of IFG's activities; mutual fund companies; insurance companies; and the custodian with which Client assets are held. In such situations, IFG stresses the confidential nature of information being shared.

**Former Customers.** Even if IFG ceases to provide Client with financial products or services, our Privacy Policy will continue to apply to Client and IFG will continue to treat Client's nonpublic information with strict confidentiality.

If you have any questions concerning Advisor's customer privacy policy or concerns about your personal information please feel free to contact Mr. Ronald Bickford at 612-331-8161.