



**FORM ADV PART 2A APPENDIX 1 - WRAP FEE PROGRAM BROCHURE
ITEM 1 - COVER PAGE
JULY 2018**

RFG Advisory Wrap Fee Program

Sponsored By:

RFG ADVISORY, LLC

**1400 URBAN CENTER DR., SUITE 475
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FIRM CRD# 158401

This wrap fee program brochure provides information about the qualifications and business practices of RFG Advisory, LLC. If Clients have any questions about the contents of this brochure, they should contact our Chief Compliance Officer, Victoria A. Scoles, by telephone at (314) 699-9241. 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 RFG Advisory, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note use of the term "registered investment advisor" and description of RFG Advisory, LLC and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's Financial Advisors who advise Clients for more information on the qualifications of our firm and its employees.

ITEM 2 - MATERIAL CHANGES

RFG Advisory, LLC "RFG Advisory" is required to advise Clients of any material changes to our Wrap Fee Program Brochure ("Wrap Brochure") from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

Please note that we do not have to provide this information to a RFG Advisory Client or prospective Client who has not received a previous version of our Wrap Brochure.

Annual Amendment Filing Date: 5/22/2018

Since our last annual amendment filing we have made a name change from RFG Advisory Group, LLC to RFG Advisory, LLC. We have terminated our relationship with LPL Financial. RFG Advisory added Schwab Advisor Services as a custodial affiliation and entered into an additional services agreement with TD Ameritrade that will provide us with new Additional Services. See Item 12 for further details.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

A wrap fee program allows our Clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services include portfolio management and/or advice concerning selection of other advisors, and the fee is not based directly upon transactions in the Client account. The advisory fee is bundled with our costs for executing transactions in the Client account(s). This may result in a higher advisory fee. We do not charge our Clients higher advisory fees based on their trading activity, but Clients should be aware that we can have an incentive to limit our trading activities in their account(s) because we are charged for executed trades. While the fees charged will be based upon the agreed upon fee rate and will not be affected by the services the Client receives or the number of transactions executed in the wrap account; however, such factors may be considered in negotiating fee rates. By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to the Client by the executing broker.

Our Wrap Advisory Services

Wrap Fee Program: Comprehensive Portfolio Management

Our comprehensive portfolio management service encompasses asset management as well as providing financial planning/financial consulting to Clients. It is designed to assist Clients in meeting their financial goals using financial investments. We conduct at least one, but sometimes more than one meeting (in person, telephone, video conference, or via email) with Clients to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, the Investment Advisory Representative "Financial Advisor" will propose an investment approach to the Client and the Client will have an opportunity to place reasonable restrictions on the types of investments to be held in the portfolio; if agreed upon by both the Client and the Financial Advisor the investment approach, guidelines and restrictions will form the investment objectives of the account. Upon the Client's agreement to the proposed investment plan, we work with the Client to establish or transfer investment accounts so that we can manage the Client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least annually. We may periodically rebalance or adjust Client accounts under our management. If the Client experiences any significant changes to his/her financial or personal circumstances, the Client must notify us so that we can consider such information in managing the Client's investments.

RFG Advisory's annual fees for our Wrap Fee Program shall be based on a negotiated percentage of the market value of the assets under management and shall be calculated at up to 2.65% of all assets under management. The advisory fee rate is negotiated between the Financial Advisor and the Client and may be higher or lower than the fees that we charge other Clients in this or other programs; and may be higher or lower than the cost of similar services offered through other financial firms or purchasing the different services within each program separately. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of the account on the last day of the previous quarter.

RFG Advisory instructs the custodian to make quarterly adjustments for mid quarter deposits and withdrawals in Client accounts. Advisory fees will be equal to the market value of the account on the last day of the previous quarter, times the Client Fee % (per annum), divided by the number of days in the year and multiplied by the number of days in the quarter. Our firm assumes a 365-day year. RFG Advisory Client's total fee will include an additional platform fee up to 0.35% of all assets under management

that is negotiated between RFG Advisory and the Financial Advisor. This does not apply to accounts held at third party managers.

Clients will pay charges imposed directly by a mutual fund, index fund, annuity, alternative asset fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee the Client is charged by our firm.

Our Financial Advisors receive a portion of the advisory fee that the Client pay us, either directly or as a percentage of the overall fee. The amount of compensation the Financial Advisor receives because of the Client's participation in a wrap program may be more or less than what the Financial Advisor would receive if the Client participated in other RFG Advisory or affiliate's programs or paid separately for the investment advice, brokerage, and other services. In cases where our Financial Advisors are paid a percentage of the Client's overall advisory fee, this can create an incentive to recommend that the Client participate in a wrap fee program rather than a non-wrap fee program (where Clients pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we can earn more compensation from advisory fees paid to us through a wrap fee program arrangement if the Client account is not actively traded.

ITEM 5 - TYPES OF CLIENTS

RFG Advisory services individuals, high net worth individuals, trusts, estates, charitable organizations, pension and profit sharing plans, banking and thrift institutions, corporations, limited liability companies and/or other business types.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Selection of Portfolio Managers

RFG Advisory utilizes our in-house portfolio managers as well as a selection of outside portfolio managers. In- house accounts are managed by licensed Financial Advisors of our firm. Prior to becoming registered with our firm, each Financial Advisor's industry experience, licensure, outside business activities, Client complaints (if any), disciplinary or regulatory history (if any) and financial well-being is reviewed. Each Financial Advisor has a Form U4 and ADV Part 2B on file with our firm. Outside portfolio managers, either individually or firm-wide, are selected based on past performance, investment philosophy, market outlook, experience of associated portfolio managers and executive team, disciplinary, legal and regulatory histories of the firm and its associates, and/or whether compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, and/or anti-money laundering. Performance returns of wrap portfolios managed by outside portfolio managers are reviewed at least annually by the Financial Advisor. The nature of these reviews is to learn whether Client accounts are in line with their investment objectives and appropriately positioned based on market conditions. If these standards fall below the Client objectives, Financial Advisors will discuss the review with the portfolio manager for proactive action to realign the investment strategy.

Advisory Business:

We offer individualized investment advice to our wrap fee program Clients utilizing our firm's Comprehensive Portfolio Management services. Each Client can place reasonable restrictions on the types

of investments held in the portfolio. Restrictions on investments in certain securities or types of securities may limit or prevent the likelihood of achieving the investment objectives of the Client by the Financial Advisor. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the Client's investment objectives, financial goals and risk tolerance. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

Clients have the option to hold non-managed assets inside a managed discretionary account under a separate RFG Advisory Non-Discretionary Agreement. This is a Client accommodation only. There is no asset management or advisory fees charged on the non-discretionary asset(s).

Performance-Based Fees & Side-By-Side Management:

We do not charge performance-based fees.

Methods of Analysis, Investment Strategies & Risk of Loss:

Methods of Analysis:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Investment Strategies we use:

Long-term purchases. When utilizing this strategy, we purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a Client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of

conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Margin transactions. We will purchase stocks for a Client portfolio with money borrowed from their advisory account. This allows the Client to purchase more stock than they would be able to with their available cash and allows us to purchase stock without selling other holdings.

Option Transactions. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for Client portfolio. We use "covered calls", in which we sell an option on security the Client owns. In this strategy, the Client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the Client at an agreed- upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that is bought and a call option that is sold) for the same underlying security. This effectively puts the Client on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

Risk of Loss:

Investing in securities involves risk of loss that Clients should be prepared to bear. While the stock market can increase, and Client account(s) could enjoy a gain, it is also possible the stock market can decrease, and Client account(s) could suffer a loss. It is important that Clients understand the risks associated with investing in the stock market, are appropriately diversified in their investments, and ask us any questions they may have.

Voting Client Securities:

RFG Advisory does not and will not accept the proxy authority to vote Client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to our firm, we will forward them on to the Client and ask the party who sent them to mail them directly to the Client in the future.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER(S)

RFG Advisory Financial Advisors work with the Client directly to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Our firm requires that Clients communicate to us any significant changes to their financial or personal circumstances, so that we can

consider such information in managing Client investments.

RFG Advisory Financial Advisors also communicate with the Client's portfolio manager(s) as needed to ensure their most current investment goals and objectives are understood by the portfolio manager(s). In most cases, the Financial Advisor will communicate such information as part of their regular investment management duties. Nevertheless, the Financial Advisor will also communicate information to the Client's portfolio manager(s) when the Client asks us to and when market or economic conditions make it prudent to do so.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGER(S)

Our firm does not place restrictions on the Client's ability to contact and consult with their Financial Advisor/Portfolio Manager.

ITEM 9 - ADDITIONAL INFORMATION

RFG Advisory and our management have no disciplinary information to disclose.

Most RFG Advisory Financial Advisors are also Registered Representatives with Private Client Services (PCS), Member FINRA/SIPC. They offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales create an incentive to recommend products based on the compensation they may earn and may not necessarily be in the best interests of the Client. Clients are not required to purchase any commissionable products from our firm's Financial Advisors.

Many RFG Advisory Financial Advisors are also licensed insurance agents. As such, they may have an incentive to sell and recommend insurance products to Clients. When such recommendations or sales are made, a conflict of interest exists as the Financial Advisor may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products and may not be in the best interest of the Client. Clients are under no obligation to purchase insurance products from our Financial Advisors.

RFG Advisory offers many services through its network of Financial Advisors. Many of our Financial Advisors conduct advisory services under a trade name (i.e. "Doing Business As" or "DBA") that is held out to the public for marketing purposes. Financial Advisors can recommend that Clients engage affiliates to provide advisory services and/or invest in advisory products managed by affiliates. However, only products that are believed to meet a Client's investment objectives and risk tolerance are recommended.

RFG Advisory may maintain tri-party relationships with financial institutions for Clients of those institutions to be introduced and advised by our firm through services provided by TD Ameritrade or Schwab. All three parties may share advisory fees or commissions as applicable. The financial institutions will not have any affiliation with our firm or our associated persons.

The compensation paid to RFG Advisory by third-party managers may vary. A potential conflict of interest exists in utilizing a third-party manager who shares a larger portion of their advisor fees over another manager. To minimize this conflict RFG Advisory will make our selections in the best interest of our Clients. RFG Advisory's fees are not higher than they would have been had our Client obtained services directly from the third-party money manager. Prior to referring Clients to a third-party manager, we will ensure the third-party manager is licensed with the respective authorities.

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

We recognize that the personal investment transactions of Financial Advisors and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, we believe if investment goals are similar for Clients and for Financial Advisors and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, to prevent conflicts of interest, we have in place a set of procedures with respect to transactions effected by our members, officers and employees for their personal accounts to monitor compliance with our personal trading policy.

Furthermore, our firm has established a Code of Ethics which applies to all our associated persons. An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our Clients always. We have a fiduciary duty to all Clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws always. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and 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 RFG Advisory Clients. This disclosure is provided to give all Clients a summary of our Code of Ethics. However, if a Client or a potential Client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm, from time to time, will buy or sell securities for themselves at or about the same time they buy or sell the same securities for Client accounts. To minimize this conflict of interest, our related persons will place Client interests ahead of their own interests and adhere to our firm's Code of Ethics.

Review of Accounts

Financial Advisors review accounts on at least an annual basis for our Clients. The nature of these reviews is to learn whether Client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We provide written reports to Clients, upon request. Financial Advisors conduct reviews in person, via telephone, video conference, or via email on at least an annual basis. Custodians provide Clients with, at a minimum, quarterly statements. We may review Client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the Client's life events, requests by the Client, etc.

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our Client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Client Referrals & Other Compensation

RFG Advisory recommends TD Ameritrade and Schwab as custodians for RFG Advisory accounts. Private Client Services (PCS) is the broker-dealer with which most of our Financial Advisors are also associated. TD Ameritrade Institutional, is an independent and unaffiliated SEC registered broker-dealer, and is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. They provide us and our Clients with access to its institutional brokerage-trading, custody, reporting and related services. We receive some benefits from TD Ameritrade and Schwab through our participation in their custodial programs.

We receive from TD Ameritrade benefits in the form of the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have our advisory fees deducted directly from Client accounts; access to an electronic communications network for order entry and account information; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may pay for business consulting and professional services received by RFG Advisory's related persons. TD Ameritrade may also pay for software systems to assist our firm in managing and administering Client accounts. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. TD Ameritrade will also reimburse any account termination fees charged by LPL Financial for Client account assets that are transferred to TD Ameritrade. The benefits received by our firm or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, RFG Advisory endeavors to always put the interests of its Clients first, including to seek best execution of trades for Client accounts. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade or Schwab for custody and execution services.

We also receive from TD Ameritrade certain additional economic benefits ("*Additional Services*") that may or may not be offered to any other independent Investment Advisors participating in the program. Specifically, the *Additional Services* include Orion Advisor Services, Bloomberg Finance, Fast Slow Motion, Money Guide Pro, Salesforce and LiquidHub. TD Ameritrade provides the *Additional Services* to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the *Additional Services*. Our firm and TD Ameritrade have entered into a separate agreement ("*Additional Services Addendum*") to govern the terms of the provisions of the *Additional Services*.

Our receipt of *Additional Services* raises potential conflicts of interest. In providing *Additional Services* to our firm, TD Ameritrade considers the amount and profitability to TD Ameritrade of the assets in, and placed for, Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the *Additional Services Addendum* with our firm, in its sole discretion, provided certain conditions are met. Consequently, to continue to obtain *Additional Services* from TD Ameritrade, we have an incentive to recommend that Client assets under management with us be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our firm's receipt of *Additional Services* does not diminish our duty to act in our Client's best interest, including to seek best execution of trades for RFG Advisory Client account(s)

We participate in Schwab Advisor Services (formerly called Schwab Institutional) which is Schwab's business serving independent investment advisory firms like us. They provide us and our Clients with access to its institutional brokerage-trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Services that benefit RFG Advisory Clients include access to a broad range of investment products, execution of securities transactions and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit RFG Advisory Clients and their account(s).

Schwab also makes available to us other products and services that benefit us but not necessarily directly benefit RFG Advisory Clients or their account. 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 are provided to us on an unsolicited basis. We must reach certain asset thresholds to receive, and at no charge to us if we maintain a specified number of Clients' assets at Schwab. If we have less than \$10 million in Client assets at Schwab it may charge us a quarterly service fee.

Schwab support services include:

- Reimbursement of Client account transfer fees up to a specified dollar amount
- Access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit RFG Advisory Clients and their account(s).
- Investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our Client accounts, including accounts not maintained at Schwab.
- 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; and
 - ✓ assist with back-office functions, recordkeeping and Client reporting.
- Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
 - ✓ educational conferences and events
 - ✓ technology, compliance, legal, and business consulting;
 - ✓ publications and conferences on practice management and business succession; and
 - ✓ access to employee benefits providers, human capital consultants and insurance providers.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We receive up to \$60,000 in covered service expenses based upon total Client assets custodied at Schwab with a minimum of \$65 million. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The minimum requirement may give us an incentive to recommend or require that Clients maintain their account with Schwab based on our interest in receiving Schwab's support services.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab 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 may also provide us with other benefits such as occasional business entertainment of our personnel.

For RFG Advisory Client accounts maintained at Schwab, Clients are generally not charged separately for custody services, but Schwab is compensated by charging Clients commissions or other fees on trades that it executes or that settle into their Schwab account. Schwab's commission rates and asset-based pricing fee applicable to Client accounts were negotiated based on our commitment to reach \$150 million of end Client statement equity in Schwab Client accounts by December 2018. This commitment benefits RFG Advisory Clients because the overall commission costs and/or asset-based pricing fee they pay are lower than they would be if we had not made the commitment. In addition to commissions or asset-based pricing fees Schwab charges RFG Advisory Clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that they have executed by a different broker-dealer where the securities bought or the funds from the securities sold are deposited (settled) into their Schwab account. These fees are in addition to the transaction fees or the asset-based pricing fee the Client pays the executing broker-dealer. Because of this, to minimize Client trading costs, we have Schwab execute most trades for RFG Advisory Client accounts.

Clients should understand that not all investment advisers recommend that Clients custody their accounts and trade through specific broker-dealers.

However, to the extent that our Financial Advisors recommend that Clients use TD Ameritrade or Schwab, it is because the Financial Advisor believes it is in the Clients' best interests to do so based on the quality and pricing of the execution, benefits of the platform and other services provided by the custodian.

RFG Advisory Clients may pay more for investment transactions effected and/or assets maintained at TD Ameritrade or Schwab as result of these arrangements. The benefits received by our firm or its personnel through participation in the TD Ameritrade or Schwab programs do not depend on the amount of brokerage transactions directed to either TD Ameritrade, Schwab, or any other institution. As part of our fiduciary duties, we endeavor at all times to put the best interest of our Clients first, including to seek best execution of trades for Client accounts. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade or Schwab for custody and execution services.

RFG Advisory pays a recruiting bonus to our firm's Financial Advisors who refer another Advisor to our firm. This arrangement may create a conflict of interest when there is a higher recruiting bonus paid if the new Financial Advisor's Client assets are moved to the RFG Advisory Steadfast models. However, to the extent that Financial Advisors determine to recommend Clients use our firm's platform, it is because the Financial Advisors believe that it is in the Clients' best interests to do so based upon achieving the Client's investment objectives.

RFG Advisory pays referral fees (non-commission based) to non-registered independent solicitors for the referral of their Clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. Such referral fee represents a share of our investment advisory fee charged to RFG Advisory Clients. This arrangement will not result in higher costs to the referred Client. All Clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an

investment advisor representative of our firm. If our firm is paying solicitation fees to another registered investment advisor, the licensure of individuals is the other firm's responsibility.

Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of Client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to Clients.

We have never been the subject of a bankruptcy proceeding.