

PFG Advisors, LLC

Registered Investment Adviser

16150 N. Arrowhead Fountains Center Drive — Suite 289 | Peoria, AZ 85382

(800) 405-8850 — phone

(623) 565-8055 — fax

Firm Brochure ADV Part 2A

March 21, 2017

This brochure provides information about the qualifications and business practices of PFG Advisors, LLC (“PFG” or PFG Advisors”). If you have any questions about the contents of this brochure, please contact us at (800) 405-8850. 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. PFG Advisors is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about PFG Advisors, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for PFG Advisors is 173344.

ITEM 2 - MATERIAL CHANGES

Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

The following are a list of changes since our annual filing of the ADV on March 24, 2016:

- Stacy Vanderwerp was succeeded by Justin Jolly as the CCO in November of 2016.
- Item 4 was updated to clarify the ownership structure of PFG Advisors
- Item 10 was updated to include information about PFG Advisors’ relationships with certain depository financial institutions

Currently, our Disclosure Brochure may be requested by contacting us at (800) 405-8850 or at jollyj@pfgteam.com. Additional information about PFG Advisors is also available via the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with PFG Advisors who are registered as investment adviser representatives of PFG Advisors.

ITEM 3 - TABLE OF CONTENTS

Item 1 — Cover Page	1
Item 2 — Material Changes.....	2
Item 3 — Table of Contents	3
Item 4 — Advisory Business.....	4
Item 5 — Fees and Compensation.....	7
Item 6 — Performance –Based Fees and Side-By-Side Management	9
Item 7 — Types of Clients	9
Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9 — Disciplinary Information.....	12
Item 10 — Other Financial Industry Activities and Affiliations.....	12
Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12 — Brokerage Practices.....	14
Item 13 — Review of Accounts	16
Item 14 — Client Referrals and Other Compensation.....	17
Item 15 — Custody.....	18
Item 16 — Investment Discretion	19
Item 17 — Voting Client Securities	19
Item 18 — Financial Information	19

ITEM 4 – ADVISORY BUSINESS

PFG Advisors, LLC (PFG Advisors) became registered as an investment adviser in December 2014. PFG Advisors is a wholly owned subsidiary of Priority Financial Group, LLC which, in turn, is wholly owned by Michael T. Prior. Michael T. Prior is the Chief Executive Officer and Justin Jolly is the Chief Compliance Officer of PFG Advisors.

PFG Advisors provides fee based investment advisory services for compensation primarily to individual clients and high-net worth individuals based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

Advisor representatives are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement. However, the exact service and fees charged to a particular client are dependent upon the representative that is working with the client. Advisors are instructed to consider the individual needs of each client when recommending an advisory platform. All material conflicts of interest are disclosed herein.

Asset Management

PFG Advisors, through its investment advisor representatives (IARs), provides ongoing investment advice and management on assets in the client's custodial accounts. Advice may be discretionary or non-discretionary as indicated in the client's agreement.

IARs provide advice on the purchase and sale of various types of investments, and will generally include advice regarding security types including by not limited to:

- Mutual funds
- Exchange-traded funds ("ETFs")
- Variable annuity subaccounts
- Real Estate Investment Trusts ("REITs")
- Equities
- Corporate debt securities (other than commercial paper)
- Certificates of Deposit
- Municipal Securities
- United States governmental securities
- Exchange-listed securities
- Securities traded over-the-counter
- Structured Notes

The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Because some types of investments involve certain additional degrees of risk, securities will

be recommended as part of the clients overall portfolio that is consistent with the client's stated investment objectives, risk tolerance, liquidity and suitability. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile.

Financial Planning Services

As part of our financial planning services, PFG Advisors, through its IARs, may provide personal financial planning tailored to the individual needs of the client. These services may include, as selected by the client on the financial planning agreement, information and recommendations regarding tax planning, retirement planning, estate needs, education planning, life and disability insurance needs, and long-term care needs. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. Fees for such services are negotiable and detailed in the client agreement.

The financial plan may include generic recommendations as to general types of investment products or specific securities which may be appropriate for the Client to purchase given his/her financial situation and objectives. The Client is under no obligation to act upon the investment adviser's recommendation or purchase such securities through PFG Advisors and the IAR. However, if the Client desires to purchase securities or advisory services in order to implement his/her financial plan, PFG Advisors may make a variety of products and services available through its IARs. This may result in the payment of normal and customary commissions, advisory fees or other types of compensation to PFG Advisors and the IAR.

A conflict exists between the interests of the investment adviser and the interests of the client. Depending on the type of account that could be used to implement a financial plan, such compensation may include (but is not limited to) advisory fees, advisory program wrap fees; commissions; variable annuity investor servicing fees; fees in connection with an insured deposit account program. To the extent that IAR recommends that Client invest in products and services that will result in compensation being paid to PFG Advisors and the IAR, this presents a conflict of interest. This compensation to IAR and PFG Advisors may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan implemented using a certain product or service over another product or service. However, at all times PFG and their IARs will act in your best interest and act as a fiduciary in carrying out services provided to you.

PFG Advisors does not provide accounting or legal advice, and encourages clients to work closely with his/her attorney or CPA regarding these matters.

Hourly Consulting Services

PFG Advisors, through its IARs, may provide consulting services including, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. The IARs may or may not deliver to the client a written analysis or report as part of the services. The IARs tailor the hourly consulting services to the individual needs of the client

based on the investment objective and other relevant suitability factors chosen by the client. The engagement terminates upon final consultation with the client. Fees for such services are negotiable and detailed in the client agreement.

Third Party Money Manager Services

PFG Advisors has entered into agreements with various third-party money managers. Under these agreements, PFG Advisors and its IARs offer clients various types of programs sponsored by these advisers. Selected Third Party Money Managers ("Managers" or "TPMMs") are evaluated by PFG Advisors for Client use. Our TPMM services may include assisting you in identifying your investment objectives and matching personal and financial data with a select list of Managers that meet the TPMM minimum quantitative and qualitative criteria. The intent of the Program is to have a selected list of high quality and recognizable third party investment management firms from which you select one or more Managers to handle the day-to-day management of your account(s). Following recommendations by our Investment Adviser Representatives ("IAR"), you will have final authority to select a Manager. The IAR will assist you in completing appropriate documents.

Managers available under our TPMM services are evaluated against several quantitative and qualitative criteria established by PFG Advisors. Each Client must have a profile that matches the Manager's or strategy's stated objectives.

You are advised and should understand that:

- A Manager's past performance does not guarantee future results;
- Various market and other risks may adversely affect any Manager's objectives and strategies and could cause a loss in a Client's account(s); and,
- Client risk parameters provided to PFG Advisors are guidelines only and there is no guarantee that they will not be exceeded.

All accounts are managed by the selected Manager and PFG Advisors does not have any discretionary trading authority with respect to such accounts. Information provided to you by our firm regarding TPMMs is believed to be reliable and accurate but should not be considered as a replacement for account statements that you receive directly from the TPMM. Regular performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and PFG Advisors. PFG Advisors does not audit or verify that these results are calculated on a uniform or consistent basis as provided by a Manager directly to PFG Advisors or through the consulting service utilized by the Manager.

Clients will enter into an agreement for the Manager's services and will receive the Manager's Form ADV Part 2 or, in the case of a wrap fee program, the wrap fee program sponsor's wrap fee disclosure brochure. The Client's IAR will also provide to each client all necessary disclosure statements, including disclosure of any solicitation fees to PFG Advisors and its advisory associates.

Wrap Fee Programs

In addition to the advisory business described above, we also participate in wrap fee programs. Under the wrap fee programs, investment advice and costs of trade executions are provided to clients for an all-inclusive wrap fee. This means that under wrap fee programs, we pay the trading costs out of the advisory fee that we receive from you. There is no difference between how we manage wrap fee accounts and how we manage other accounts. For more information about PFG Advisors' wrap fee program(s), please see the PFG Advisors Form ADV Part 2A, Appendix 1 wrap fee disclosure brochure.

Assets

PFG Advisors offers asset management on a discretionary and non-discretionary basis. As of December 31, 2016, the firm managed \$134.7 million in client assets on a discretionary basis and \$60.7 million of non-discretionary assets.

ITEM 5 - FEES AND COMPENSATION

Asset Management

PFG Advisors charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. Our custodian may charge transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for portfolio management are based on an annual percentage of assets under management or on a variable (tiered) schedule, one-fourth of which will be charged on a quarterly basis in advance of services rendered. The initial fee will be based upon the date the account is accepted for management by execution of the advisory agreement by PFG Advisors or when the assets are transferred through the last day of the initial quarter. Thereafter, the quarterly fee will be based on the market value of the client's account on the last trading day of the previous quarter as determined and reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

The specific manner in which fees are charged by the firm is established in a client's written agreement between the client and PFG Advisors and is generally up to 1.95% of assets under management. Clients can determine to engage the services of PFG Advisors on a discretionary or non-discretionary basis. PFG Advisors representatives may at their discretion negotiate a fee in accordance with the above fee schedule.

The client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting PFG Advisors to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by PFG Advisors. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

The negotiated annual fee for Asset Management may be determined by one of two methods: a Fixed Fee, or a Variable (Tiered) Fee.

1. **FIXED:** A Fixed annual management fee percentage is agreed upon and set at account opening, and does not change during the life of the agreement unless amended in writing.
2. **VARIABLE (TIERED):** A Variable annual management fee rate is determined initially according to the rate applicable to the beginning account value and is negotiated at the discretion of the client and IAR. The variable annual management fee rate is indicated on the Client Agreement. If

the account value falls above or below a breakpoint at the end of the billing period for any reason, such as market value fluctuations, deposits of funds or withdrawals, the annualized percentage rate would change accordingly, per the agreed upon schedule.

Clients may terminate the agreement without penalty for a full refund of PFG Advisors' fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract in accordance with the stated contractual requirements therein.

Financial Planning Services

PFG Advisors may charge on an hourly or flat fee basis for financial planning services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees range from \$100 - \$250. Flat fees generally range from \$100 to \$5,000. Fees are due 1) all upfront upon signing the engagement agreement, 2) one half of the total fee will be due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered, or 3) all the fee is due upon delivery of the financial plan. Specific fee payment is outlined in the Financial Planning Agreement.

Hourly Consulting Services

PFG Advisors may charge on an hourly or flat fee basis for consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees range from \$100 - \$250. Flat fees generally range from \$100 to \$5,000. Fees are due 1) all upfront upon signing the engagement agreement, 2) one half of the total fee will be due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered, or 3) all the fee is due upon delivery of the financial plan. Specific fee payment is outlined in the Consulting Agreement.

Third Party Money Manager Services

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third party money manager are generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided include: a copy of the third party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

Third party money managers establish and maintain their own separate billing processes over which we have no control. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

LPL may serve as a program sponsor and broker/dealer for the LPL advisory programs. PFG Advisors and LPL may share in the account fee and other fees associated with program accounts. Associated persons of PFG Advisors may also be registered representatives of LPL. Lower fees for comparable services may be available from other sources.

Administrative Services Provided by ORION Advisor Services, LLC

We have contracted with ORION Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and

billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, ORION will have access to client accounts, but ORION will not serve as an investment advisor to our clients. PFG Advisors and ORION are non-affiliated companies. ORION charges our Firm an annual fee for each account administered by ORION. Please note that the fee charged to the client will not increase due to the annual fee PFG Advisors pays to ORION.

Other Types of Fees & Expenses

In addition to PFG Advisors' advisory fees, clients are also responsible for paying certain charges imposed by unaffiliated third-parties, such as the client's broker-dealer/custodian. Such charges include, but are not limited to, commissions, transaction- or asset-based fees for trading, mark-ups and mark-downs, custodial fees, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. For more information about PFG Advisors' brokerage recommendations and arrangements, please refer to Item 12 of this brochure. PFG Advisors does not participate in any of these fees imposed on the client by the client's broker-dealer/custodian.

If, as a result of our investment advice, clients invest in mutual funds or other investment company securities such as exchange traded funds (funds), clients will indirectly pay additional fees to those funds. These fees, which are described in the fund's prospectus, are in addition to the fees clients pay to PFG Advisors or their broker/custodian. Fees paid to the funds generally include a management fee and other fund expenses.

To fully understand the total costs incurred, clients should review all the fees charged by PFG Advisors, Third Party Money Managers and the client's broker/custodian.

Termination & Refunds

A customer account may be terminated according to the client agreement. If the client agreement provides for payment in advance, the agreement will state how the client can obtain a refund of any pre-paid fee if the agreement is terminated before the end of the billing period.

ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither the firm or any supervised persons accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client such as a hedge fund or other pooled investment vehicle.

ITEM 7 - TYPES OF CLIENTS

The advisory services offered by PFG Advisors are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, corporations and other business entities. Our minimum initial account value is \$25,000; however, we may accept accounts for less than the minimum.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), mutual funds and other public investments.

The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, it is subject to review and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The firm uses a combination of fundamental, technical and cyclical analysis in order to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short term trading strategy based on the particular objectives and risk tolerance of a particular client.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis involves the analysis of past market data; primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Third Party Manager Analysis

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We do this by analyzing the various securities, investment strategies, and third party management firms. The goal is to identify a client's risk tolerance, and then find a manager with the maximum expected return for that level of risk. We conduct a review of each manager on a yearly basis.

A risk of investing with a third party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a managers' portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities 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, PFG Advisors is 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.

The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations such as:

- **Market Risk** - the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** - the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** - the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Mutual Funds** - Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).
- **Equity** - investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.
- **Fixed income** - investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Exchange Traded Funds (ETFs)** - An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency

in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

- **Annuities** - are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Non-U.S. securities** - present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.
- **Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Asset Management as applicable.

ITEM 9 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an advisory firm or the integrity of a firm's management. Any such disciplinary information for the company and the company's IARs would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>. There are no legal or disciplinary events to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Business Activities

Insurance

Credit Union Financial Network, LLC ("CUFN") is a licensed insurance agency with the State of Arizona and licensed in various other states. Michael Prior is the CEO of CUFN. A limited portion of the time he spends (generally less than 10%) is in connection with these activities. Investment Adviser Representatives ("IAR") of PFG Advisors may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should

note that they are under no obligation to purchase any insurance products through PFG Advisors or its IAR. As a result, this creates a conflict of interest between your interests and PFG Advisors' interest. However, at all times PFG Advisors will act in your best interest and act as a fiduciary in carrying out services provided to you.

Broker Dealer

PFG Advisors is not a broker/dealer, but our Investment Adviser Representatives ("IAR") are registered representatives of LPL Financial ("LPL"), a full service broker-dealer, member FINRA/SIPC, which compensates them for effecting securities transactions. When placing securities transactions through LPL in their capacity as registered representatives, they may earn sales commissions. Because the IARs are dually registered agents of LPL and PFG Advisors, LPL has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. LPL and PFG Advisors are not affiliated companies. IARs of PFG Advisors spend a portion their time in connection with broker/dealer activities.

As a broker-dealer, LPL engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by PFG Advisors or its IARs, investments in securities may be recommended for clients. If LPL is selected as the broker-dealer, LPL and its registered representatives, including IARs of PFG Advisors, may receive commissions for executing securities transactions.

You are advised that if LPL is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of PFG Advisors or LPL.

Moreover, you should note that under the rules and regulations of FINRA, LPL has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require LPL to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than LPL. Accordingly, LPL may limit the use of certain custodial and brokerage arrangements available to clients of PFG Advisors and LPL may collect, as paying agent of PFG Advisors, the investment advisory fee remitted to PFG Advisors by the account custodian. LPL may retain a portion of the investment advisory fee you pay, as a charge for the functions it performs, and such portion may be further re-allowed to other registered representatives of LPL. The charge will not increase the advisory fee you have agreed to pay PFG Advisors.

IARs of PFG Advisors, in their capacity as registered representatives of LPL, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, fee trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. However, clients should note that they have the right to decide whether or not to purchase any investment products through PFG Advisors' representatives.

Financial Institutions

PFG Advisors has entered into contractual arrangements with certain depository financial institutions whereby PFG Advisors offers services in the form of investment advisory products and services to the institutions' membership. Through these relationships some IA Representatives of PFG Advisors may also be employees of the financial institutions. In exchange, the financial institutions may receive a portion of all fee income in accordance with an SEC no action letter.

ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

PFG Advisors maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty and trust.

The Code of Ethics includes guidelines regarding personal securities transactions of its employees and IARs. The Code of Ethics permits employees and IARs or related persons to invest for their own personal accounts in the same or different securities that an IAR may purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or IARs in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. PFG Advisors addresses this conflict of interest by requiring in its Code of Ethics that employees and IARs report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser'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 at all times. 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 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 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 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.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Neither PFG Advisors nor a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

PFG Advisors will recommend the use of several broker-dealers, including, but not limited to LPL Financial and TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade") (collectively, the "Custodians"). PFG Advisors is independently owned and operated and not affiliated with any of the aforementioned broker-dealers. We may recommend that you establish accounts with these custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our custodians benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with one of these custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian.

We are independently owned and operated and not affiliated with these custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at one of these custodians. We may recommend that you establish accounts with the custodians to maintain custody of your assets and to effect trades for your accounts. You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. The custodian's execution quality may be different than other broker-dealers.

The custodians we utilize make available to us other products and services that benefit us but may not benefit your accounts in every case. Some of these other products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. The custodians also make available to us other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by third parties. The custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

We also receive certain additional economic benefits from the Custodian that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, these services include Orion Advisor Services.

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

Aggregated Trading

We will aggregate (combine) trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

We will not aggregate transactions unless we believe that aggregation is consistent with its duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, it will be allocated pro-rata based on the allocation statement;

Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.

We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and

Individual advice and treatment will be accorded to each advisory client.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis other than what is described above.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

ITEM 13 - REVIEW OF ACCOUNTS

All investment advisory clients are advised that it remains their responsibility to advise PFG Advisors of any changes in their investment objectives and/or financial situation. **All** clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their IAR on an annual basis. The client's IAR may monitor the individual investments each day the market is open. Portfolio performance is reviewed generally on a quarterly basis. The IAR offers clients an in-person or telephonic portfolio review meeting on an annual basis.

The IAR may also conduct account reviews based on the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and by client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. PFG Advisors may also provide a written periodic report summarizing account activity and performance.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

LPL Financial, LLC

PFG Advisors receives an economic benefit from LPL Financial in reimbursement for marketing related expenses. Please see detailed discussion of the categories of marketing related expenses and potential conflicts of interest in Item 12 Brokerage Practices.

PFG Advisors and employees may receive additional compensation from product sponsors. However, such compensation is not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with PFG, client workshops or events, marketing events or advertising /initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse PFG Advisors for the costs associated with, education or training events that may be attended by PFG Advisors employees and IARs and for PFG Advisors sponsored conferences and events.

TD Ameritrade, Inc.

TD Ameritrade makes available to us other products and services that benefit us but may not benefit your accounts. Some of these other products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. TD Ameritrade also makes available to us other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by third parties. The custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at one of our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

From time to time, we 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 are not predicated upon specific sales quotas, the product sponsor reimbursements are

typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty. However, you should be aware that the receipt of additional compensation through expense reimbursements could create a conflict of interest that impacts the judgment of the IARs when making advisory recommendations.

Referral Fees

As described in Item 4 – PFG Advisors selects independent third-party investment advisers to help manage the client assets. We have established relationships with investment advisors through which we refer you to the other investment advisor's management programs. When acting in this capacity, we will receive a portion of the fee paid to the independent investment advisor(s) by you. We do not pay for referrals to PFG Advisors. We do receive referral compensation for referring to other Managers or Advisors.

Since compensation the Adviser receives may differ depending on the agreement with each third-party adviser, the Adviser may have an incentive to recommend one third-party advisers over another, if the compensation arrangements are more favorable. Since the independent third-party adviser may pay the fee for the investment advisory services of the Adviser, the fee paid to the Adviser is not negotiable, under most circumstances.

Fees paid by clients to independent third-parties are established and payable in accordance with the Form ADV Part 2 of each independent third-party adviser to whom the Adviser refers its clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third- party adviser.

Clients who are referred to third-party investment advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party adviser's Form ADV Part 2 at the same time as the Form ADV Part 2 of the Adviser.

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

PFG Advisors is deemed to have custody of client funds and securities whenever PFG Advisors is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody PFG Advisors will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which PFG Advisors is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly and reflect, among other things, the amount of PFG Advisors' fee deducted from the account during the period. You should carefully review those statements for accuracy and are urged to compare the

statements against reports received from PFG Advisors. When you have questions about your account statements, you should contact PFG Advisors or the qualified custodian preparing the statement.

When fees are deducted from an account, PFG Advisors is responsible for determining the fee.

ITEM 16 - INVESTMENT DISCRETION

Prior to engaging PFG Advisors to provide investment advisory services, you may enter into a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, if PFG has discretion, you will need to execute additional documents required by the Custodian to authorize and enable PFG Advisors, in its sole discretion and without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any security and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by PFG Advisors for you are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the broker/dealer to be used and the commission rates or fees to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

ITEM 17 - VOTING YOUR SECURITIES

PFG Advisors does not vote client proxies but third party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact PFG Advisors at (800) 405-8850 to discuss any questions they may have with a particular solicitation.

ITEM 18 - FINANCIAL INFORMATION

PFG Advisors does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has PFG Advisors been the subject of a bankruptcy petition.