



## **Masus Financial Group Ltd.**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: June 7, 2017**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Masus Financial Group Ltd. (“MFG” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (630) 879-8464.

MFG is a registered investment advisor located in the State of Illinois. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about MFG to assist you in determining whether to retain the Advisor.

Additional information about MFG and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 174339.

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**515 N. River St. Suite #100**  
**Batavia, IL 60510**  
**Phone: (630) 879-8464**  
<http://www.masusfinancial.com>

## **Item 2 – Material Changes**

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of MFG. For convenience, we have combined these documents into a single disclose document.

MFG believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. MFG encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

There have been changes to this Disclosure Brochure that we are required to disclose to Clients. These material changes include:

- The Advisor now offers 3(21) Retirement Plan Advisory Services. Please see Item 4 and Item 5 for additional details.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 174339. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (630) 879-8464.

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Masus Financial Group Ltd. (“MFG” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Corporation under the laws of Illinois. MFG was founded in February 2000, and is owned and operated by John J. Masus, CFP®, CLU, ChFC (Chief Executive Officer and Chief Compliance Officer) and Todd J. Masus, CFP® (Vice President, Secretary and Treasurer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by MFG.

### **B. Advisory Services Offered**

MFG offers investment advisory services to individuals, high net worth individuals, trusts, estates and charitable organizations in Illinois and other states (each referred to as a “Client”).

#### Wealth Management Services

MFG may provide Clients with wealth management services, which generally includes a broad range of comprehensive financial planning and consulting services in connection with discretionary management of investment portfolios. These services are described below.

#### Investment Management Services

MFG provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. MFG works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. MFG will then construct a portfolio consisting of diversified mutual funds, individual stocks and/or independent investment managers (“Independent Managers”) to achieve the Client’s investment goals. The Advisor may also utilize real estate investment trusts (“REITs”) to meet the needs of its Clients. The Advisor may retain certain types of investments based on a Client’s legacy portfolio construction.

MFG’s investment strategy[ies] is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. MFG will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

MFG evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. MFG may recommend, on occasion, redistributing investment allocations to diversify the portfolio. MFG may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. MFG may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

MFG will provide wealth management and related services. At no time will MFG accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement.

*Use of Independent Managers* - MFG may recommend to Clients that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively “Independent Managers”). Independent Managers may be sourced directly or accessed through an investment management platform. The Client will be required to enter into a separate agreement with the Independent Manager[s].

MFG serves as the Client's primary advisor and relationship manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. MFG will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. MFG will continue to provide oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties.

The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties.

The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Form ADV Part 2A (or a brochure that makes the appropriate disclosures) of those parties. MFG does not receive any compensation from these Independent Managers or Investment Platforms, other than MFG's investment advisory fee (described in Item 5).

#### Financial Planning Services

MFG will typically provide a variety of financial planning services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services involve preparing a formal financial plan based on the Client's financial goals and objectives. This planning may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, insurance planning, estate planning, cash flow analysis, tax planning, education savings and other areas of a Client's financial situation.

A financial plan developed for the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. MFG may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to execute the transaction through the Advisor.

#### Retirement Plan Advisory Services

MFG provides 3(21) retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Employee Enrollment and Ongoing Education Tracking
- Ongoing Performance Reporting
- Investment Recommendation and Assistance

Certain of these services are provided by MFG serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2),

the Plan Sponsor is provided with a written description of MFG's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

### **C. Client Account Management**

Prior to engaging MFG to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – MFG, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives.
- Asset Allocation – MFG will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – MFG will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – MFG will provide investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

MFG does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by MFG.

### **E. Assets Under Management**

As of December 31, 2016, MFG manages the following assets:

Discretionary Assets	\$106,000,000
Non-Discretionary Assets	40,000,000
<b>Total Assets Under Management</b>	<b>\$146,000,000</b>

Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more agreements with the Advisor.

### **A. Fees for Advisory Services**

#### Wealth Management Services

For Clients engaged for comprehensive wealth management services, the Client will be charged a single combined fee for investment management and financial planning services based on the market value of assets under management.

#### Investment Management Services

Investment advisory fees are paid quarterly, in advance pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees typically range from 0.50% to 1.50% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by MFG will be independently valued by the Custodian. MFG will not have the authority or responsibility to value portfolio securities.

#### Financial Planning Services

MFG offers financial planning as a part of its wealth management services. MFG also offers financial planning services as a separate engagement on an hourly basis. Hourly engagements range from \$100 to \$500 per hour. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and total costs will be provided to the Client prior to engaging for these services.

#### Retirement Plan Advisory Services Fees

Fees for retirement plan advisory services are charged on an annual asset-based fee ranging from 0.25% to 1.00%. Fees may be negotiable depending on the size and complexity of the Plan.

#### Use of Independent Managers

For Client account[s] implemented through an Independent Manager, the Client's overall fees will often include MFG's investment advisory fee (as noted above) plus advisory fees and/or platform fees charged by the Independent Manager[s], as applicable. The Independent Manager may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. In such instances, MFG will not charge its fee separately on those assets.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with MFG at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting MFG to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Financial Planning Services

Financial planning fees are invoiced by the Advisor upon completion of the agreed upon deliverable[s].

#### Retirement Plan Advisory Services Fees

MFG is compensated for its services at the end of the quarter after advisory services are rendered. Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

#### Use of Independent Managers

Client account[s] implemented through Independent Manager[s] will be billed in accordance to the separate agreement[s] with the respective parties. These parties will typically add MFG's investment advisory fee and deduct the overall fee from the Client's account[s].

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than MFG, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by MFG is separate and distinct from these custody and execution fees.

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In addition, all fees paid to MFG for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of MFG, but would not receive the services provided by MFG which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by MFG to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **D. Advance Payment of Fees and Termination**

##### Investment Management Services

MFG is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

##### Financial Planning Services

MFG is compensated for its financial planning services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

##### Retirement Plan Advisory Services Fees

Either party may request to terminate their services with MFG in whole or in part, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's written consent.

##### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. MFG will assist the Client with the termination and transition as appropriate.

#### **E. Compensation for Sales of Securities**

MFG does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Advisory Persons of MFG may also be registered representatives of LPL Financial LLC ("LPL Financial"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative of LPL Financial, an Advisory Person may implement securities transactions under LPL Financial and not through MFG. In such instances, an Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products.

Compensation earned by an Advisory Person in one's capacity as a registered representative is separate and in addition to MFG's advisory fees. This practice presents a conflict of interest because Advisory Persons who are registered representatives may have an incentive to effect securities transactions for the purpose of generating

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commissions rather than solely based on the Client's needs. This conflict is mitigated in two ways. First, Clients are under no obligation, contractually or otherwise, to purchase securities products through one of our Advisory Persons. Second, MFG will not charge an ongoing investment advisory fee on any assets implemented in the separate capacity of one of our Advisory Persons. Please see Item 10.

Advisory Persons may also be licensed as independent insurance professionals. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of the Advisor who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor. Please see Item 10.

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## **Item 6 – Performance-Based Fees and Side-By-Side Management**

MFG does not charge performance-based fees for its investment advisory services. The fees charged by MFG are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

MFG does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

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## **Item 7 – Types of Clients**

MFG offers investment advisory services to individuals, high net worth individuals, trusts, estates and charitable organizations. The percentage of each type of Client is available on MFG's Form ADV Part 1A. These percentages may change over time and are updated at least annually by the Advisor. MFG generally does not impose a minimum size for establishing a relationship.

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## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods of Analysis**

MFG employs a fundamental, technical, cyclical, behavioral, and charting analysis in developing investment strategies for its Clients. Research and analysis from MFG is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that MFG will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the

health of the particular company that MFG is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The Advisor monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

As noted above, MFG generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. MFG will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, MFG may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. MFG will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. The following are some of the risks associated with the potential speculative components of the Advisor's strategy:

### Real Estate Investment Trusts ("REITs")

Investing in Real Estate Investment Trusts ("REITs") involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving MFG or any of its Supervised Persons.**

MFG and its Supervised Persons value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 174339.

## **Item 10 – Other Financial Industry Activities and Affiliations**

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### Broker-Dealer Affiliation

As mentioned in Item 5.E. above, Advisory Persons are also a registered representatives of LPL Financial. In one's separate capacity as a registered representative, an Advisory Person will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by an Advisory Person or Advisor. Neither the Advisor nor Advisory Persons will earn ongoing investment advisory fees in connection with any services implemented in an Advisory Person's separate capacity as a registered representative.

### Insurance Agency Affiliations

Advisory Persons are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with MFG. As an insurance professional, an Advisory Person may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by an Advisory Person or the Advisor.

In addition to broker-dealer and insurance affiliations, the Advisor has an affiliation with The Warton Group, LLC, a marketing service for investing professionals. MFG does not receive additional compensation for this engagement.

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

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### **A. Code of Ethics**

MFG has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This Code applies to all persons associated with MFG (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. MFG and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of MFG's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (630) 879-8464.

### **B. Personal Trading with Material Interest**

MFG allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. MFG does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. MFG does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

MFG allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by MFG requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While MFG allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will MFG, or any Supervised Person of MFG, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

MFG does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize MFG to direct trades to this Custodian as agreed in the investment advisory agreement. Further, MFG does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where MFG does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the recommended Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a broker-dealer/custodian not recommended by MFG.

MFG may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices. MFG does not receive research services, other products, or compensation as a result of recommending a particular custodian that may result in the Client paying higher commissions than those obtainable through other custodians.

Typically, MFG will recommend that Clients select LPL Financial as the Custodian, where MFG has access to LPL Financial's systems, back office support, research and other benefits. While MFG receives these economic benefits from LPL Financial, we believe LPL Financial provides quality execution and related services for our Clients at competitive prices. Price is not the sole factor MFG considers in evaluating best execution and the recommendation of a custodian. MFG also considers the quality of the brokerage services provided by LPL Financial, including the firm's reputation, execution capabilities, commission rates, and responsiveness to our Clients and our firm. Clients are free to use whatever broker-dealer/custodian they choose to implement financial planning recommendations. For investment advisory services, MFG would be required to obtain permission to use a broker-dealer or custodian other than LPL Financial due to the oversight role LPL Financial assumes over the Advisory Persons. Please see Item 14.

As indicated above, certain of the support services and/or products that may be received may assist MFG in managing and administering client accounts. Others do not directly provide such assistance, but rather assist MFG to manage and further develop its business enterprise.

MFG's clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as a result of this arrangement. There is no corresponding commitment made by MFG to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the Custodian in exchange for research and other services. **MFG does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from LPL Financial as detailed in Item 14 below.**

**2. Brokerage Referrals** - MFG does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where MFG will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the Custodian, MFG will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. MFG will execute its transactions through the Custodian as designated by the Client. MFG may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by John Masus, Chief Compliance Officer of MFG. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify MFG if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage

statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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## **Item 14 - Client Referrals and Other Compensation**

### **A. Compensation Received by MFG**

#### **Participation in Institutional Advisor Platform**

MFG has established an institutional relationship with LPL Financial ("Custodian") to assist the Advisor in managing Client account[s]. Access to the LPL Financial platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at LPL Financial. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

### **B. Client Referrals from Solicitors**

MFG does not engage paid solicitors for Client referrals.

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## **Item 15 – Custody**

MFG does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct MFG to utilize the Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by MFG to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

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## **Item 16 – Investment Discretion**

MFG generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by MFG. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by MFG will be in accordance with each Client's investment objectives and goals.

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## **Item 17 – Voting Client Securities**

MFG does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

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## **Item 18 – Financial Information**

Neither MFG, nor its management, have any adverse financial situations that would reasonably impair the ability of MFG to meet all obligations to its Clients. Neither MFG, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. MFG is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.





## **Form ADV Part 2B – Brochure Supplement**

**for**

**John J. Masus, CFP<sup>®</sup>, ChFC<sup>®</sup>, CLU<sup>®</sup>  
President**

**Effective: June 7, 2017**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of John J. Masus (CRD# 322627) in addition to the information contained in the Masus Financial Group Ltd. (“MFG” or the “Advisor”, CRD# 174339) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the MFG Disclosure Brochure or this Brochure Supplement, please contact us at (630) 879-8464.

Additional information about Mr. Masus is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 322627.

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**Masus Financial Group Ltd.**  
515 N. River St. Suite #100, Batavia, IL 60510  
Phone: (630) 879-8464  
<http://www.masusfinancial.com>



## Item 2 – Educational Background and Business Experience

John J. Masus, CFP®, ChFC®, CLU®, born in 1943, is the President and Chief Compliance Officer of MFG. Mr. Masus did not attend postsecondary education. Additional information regarding Mr. Masus's employment history is included below.

### Employment History:

President and Chief Compliance Officer, Masus Financial Group Ltd.	02/2000 to Present
LPL Financial LLC <ul style="list-style-type: none"><li>- Registered Representative (01/2000 to Present)</li><li>- Investment Advisor Representative (03/2002 to 09/2016)</li></ul>	01/2000 to Present
Agent, Metropolitan Life Insurance	04/1967 to 01/2000

### Certified Financial Planner™ ("CFP®")

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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Masus Financial Group Ltd.

515 N. River St. Suite #100, Batavia, IL 60510

Phone: (630) 879-8464

<http://www.masusfinancial.com>

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Chartered Financial Consultant® (ChFC®)**

The Chartered Financial Consultant® (ChFC®) program prepares you to meet the advanced financial planning needs of individuals, professionals and small business owners. You'll gain a sustainable advantage in this competitive field with in-depth coverage of the key financial planning disciplines, including insurance, income taxation, retirement planning, investments and estate planning. The ChFC® requires three years of full-time, relevant business experience, nine two-hour course specific proctored exams, and 30 hours of continuing education every two years. Holders of the ChFC® designation must adhere to The American College's Code of Ethics.

#### **Program Objectives:**

- Function as an ethical, competent and articulate practitioner in the field of financial planning
- Demonstrate mastery of the core financial planning knowledge required of a CERTIFIED FINANCIAL PLANNER™ by passing the CFP® certification exam
- Utilize the intellectual tools and framework needed to maintain relevant and current financial planning knowledge and strategies.
- Apply financial planning theory and techniques through the development of case studies and solutions
- Apply in-depth knowledge in a holistic manner from a variety of disciplines; namely, estate planning, retirement planning or non-qualified deferred compensation.

### **The Chartered Life Underwriter (CLU®)**

The Chartered Life Underwriter® (CLU®) is a designation of insurance expertise, helping gain a significant advantage in a competitive market. This course of study helps by providing in-depth knowledge on the insurance needs of individuals, business owners and professional clients.

#### **Program Learning Objectives:**

- Provide guidance to clients on types and amounts of life insurance needed
- Make recommendations on aspects of risk management, including personal and business uses of a variety of insurance solutions
- Provide guidance to clients on legal aspects of life insurance contracts and beneficiaries
- Assist clients in making decisions about estate planning, including proper holding of assets and title to assets, as well as the implications of various wills and trust arrangements on financial, retirement and succession planning issues
- Provide a holistic and comprehensive approach to addressing the insurance planning needs of their clients

## **Item 3 – Disciplinary Information**

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Masus.*** Mr. Masus has never been involved in any regulatory, civil or criminal action. There have been no, lawsuits, arbitration claims or administrative proceedings against Mr. Masus.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Masus.***

However, we do encourage you to independently view the background of Mr. Masus on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 322627.

## **Item 4 – Other Business Activities**

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### Broker-Dealer Affiliation

Mr. Masus is also a registered representative of LPL Financial LLC (“LPL Financial”). LPL Financial is a registered broker-dealer (CRD# 6413), member FINRA, SIPC. In Mr. Masus’s separate capacity as a registered representative, Mr. Masus will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. Masus. Neither the Advisor nor Mr. Masus will earn ongoing investment advisory fees in connection with any products or services implemented in Mr. Masus’s separate capacity as a registered representative.

### Insurance Agency Affiliations

Mr. Masus is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart Mr. Masus’s role with MFG. As an insurance professional, Mr. Masus may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Masus is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Masus or the Advisor.

## **Item 5 – Additional Compensation**

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Mr. Masus has additional business activities that are detailed in Item 4 above.

## **Item 6 – Supervision**

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Mr. Masus serves as the President and Chief Compliance Officer of Masus. Mr. Masus can be reached at (630) 879-8464.

MFG has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of MFG. Further, MFG is subject to regulatory oversight by various agencies. These agencies require registration by MFG and its Supervised Persons. As a registered entity, MFG is subject to examinations by regulators, which may be announced or unannounced. MFG is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.



## **Form ADV Part 2B – Brochure Supplement**

**for**

**Todd J. Masus, CFP®  
Vice President, Treasurer and Secretary**

**Effective: June 7, 2017**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Todd J. Masus (CRD# 3111009) in addition to the information contained in the Masus Financial Group Ltd. (“MFG” or the “Advisor”, CRD# 174339) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the MFG Disclosure Brochure or this Brochure Supplement, please contact us at (630) 879-8464.

Additional information about Mr. Masus is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 3111009.

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**Masus Financial Group Ltd.**  
515 N. River St. Suite #100, Batavia, IL 60510  
Phone: (630) 879-8464  
<http://www.masusfinancial.com>

## Item 2 – Educational Background and Business Experience

Todd J. Masus, CFP®, born in 1969, is the Vice President, Secretary and Treasurer of MFG. Mr. Masus earned a B.S. European History from Northern Illinois University in 1995. Additional information regarding Mr. Masus's employment history is included below.

### Employment History:

Vice President, Secretary and Treasurer, Masus Financial Group Ltd.	01/2000 to Present
LPL Financial LLC	
- Registered Representative (01/2000 to Present)	01/2000 to Present
- Investment Advisor Representative (03/2002 to 09/2016)	

### Certified Financial Planner™ ("CFP®")

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Masus.*** Mr. Masus has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Masus.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Masus.***

However, we do encourage you to independently view the background of Mr. Masus on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 3111009.

### Item 4 – Other Business Activities

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#### Broker-Dealer Affiliation

Mr. Masus is also a registered representative of LPL Financial LLC (“LPL Financial”). LPL Financial is a registered broker-dealer (CRD# 6413), member FINRA, SIPC. In Mr. Masus’s separate capacity as a registered representative, Mr. Masus will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. Masus. Neither the Advisor nor Mr. Masus will earn ongoing investment advisory fees in connection with any products or services implemented in Mr. Masus’s separate capacity as a registered representative.

#### Insurance Agency Affiliations

Mr. Masus is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart Mr. Masus’s role with MFG. As an insurance professional, Mr. Masus may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Masus is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Masus or the Advisor.

### Item 5 – Additional Compensation

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Mr. Masus has additional business activities that are detailed in Item 4 above.

### Item 6 – Supervision

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Mr. Masus serves as the Vice President, Secretary, Treasurer of MFG and is supervised by John Masus, the Chief Compliance Officer. John Masus can be reached at (630) 879-8464.

MFG has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of MFG. Further, MFG is subject to regulatory oversight by various agencies. These agencies require registration by MFG and its Supervised Persons. As a registered entity, MFG is subject to examinations by regulators, which may be announced or unannounced. MFG is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.



**Form ADV Part 2B – Brochure Supplement**  
**for**

**Jacob J. Cate, CRPC®**  
**Associate Wealth Advisor**

**Effective: June 7, 2017**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Jacob J. Cate (CRD# 4693726) in addition to the information contained in the Masus Financial Group Ltd. (“MFG” or the “Advisor”, CRD# 174339) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the MFG Disclosure Brochure or this Brochure Supplement, please contact us at (630) 879-8464.

Additional information about Mr. Cate is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4693726.

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**Masus Financial Group Ltd.**  
515 N. River St. Suite #100, Batavia, IL 60510  
Phone: (630) 879-8464  
<http://www.masusfinancial.com>



## Item 2 – Educational Background and Business Experience

Jacob J. Cate, CRPC®, born in 1984, is an Associate Wealth Advisor of MFG. Mr. Cate earned a Bachelors in Political Science from Aurora University in 2007. Additional information regarding Mr. Cate's employment history is included below.

### Employment History:

Associate Wealth Advisor, Masus Financial Group Ltd.	08/2015 to Present
LPL Financial LLC <ul style="list-style-type: none"><li>- Registered Representative (06/2014 to Present)</li><li>- Investment Advisor Representative (04/2015 to 11/2016)</li></ul>	06/2014 to Present
Agent, Country Financial	04/2011 to 06/2014
Marketing Associate, John Hancock USA	06/2007 to 03/2011

### Chartered Retirement Planning Counselor ("CRPC®")

Individuals who hold the CRPC® designation have completed a course of study encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

## Item 3 – Disciplinary Information

***There are no legal, civil or disciplinary events to disclose regarding Mr. Cate.*** Mr. Cate has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Cate.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Cate.***

However, we do encourage you to independently view the background of Mr. Cate on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4693726.

## Item 4 – Other Business Activities

### Broker-Dealer Affiliation

Mr. Cate is also a registered representative of LPL Financial LLC ("LPL Financial"). LPL Financial is a registered broker-dealer (CRD# 6413), member FINRA, SIPC. In Mr. Cate's separate capacity as a registered representative, Mr. Cate will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. Cate. Neither the Advisor nor Mr. Cate will earn ongoing investment advisory fees in connection with any products or services implemented in Mr. Cate's separate capacity as a registered representative.

### Insurance Agency Affiliations

Mr. Cate is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart Mr. Cate's role with MFG. As an insurance professional, Mr. Cate may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Cate is not

required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Cate or the Advisor.

#### **Item 5 – Additional Compensation**

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Mr. Cate has additional business activities that are detailed in Item 4 above.

#### **Item 6 – Supervision**

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Mr. Cate serves as an Associate Wealth Advisor of MFG and is supervised by John Masus, the Chief Compliance Officer. John Masus can be reached at (630) 879-8464.

MFG has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of MFG. Further, MFG is subject to regulatory oversight by various agencies. These agencies require registration by MFG and its Supervised Persons. As a registered entity, MFG is subject to examinations by regulators, which may be announced or unannounced. MFG is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

Effective: June 7, 2017

### Our Commitment to You

Masus Financial Group Ltd. ("MFG" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. MFG (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

MFG does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> MFG does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where MFG or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> MFG does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (630) 879-8464.