



**Form ADV Part 2A: Firm Brochure  
Item 1: Cover Page**

**IFG Advisory, LLC**  
CRD #168012

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**November 21, 2022**

This Brochure provides information about the qualifications and business practices of IFG Advisory, LLC (hereinafter referred to as the “Adviser”, “us”, “we”, or “our firm”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Crystal Epstein, at (770) 353-6331 or via email at [cepstein@intfingroup.com](mailto:cepstein@intfingroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about IFG Advisory, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term “registered investment adviser” and description of IFG Advisory, LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and its associates.

**Item 2: Material Changes**

The Brochure requirements include the annual provision of a Summary of Material Changes (the “Summary”) reflecting any material changes to our policies, practices, or conflicts of interest made since our last required “annual update” filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. We have no material changes to disclose since our last update which was filed on March 29, 2022. This complete Brochure is available to clients at any time upon request.

**Item 3: Table of Contents**

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<b>Section:</b>	<b>Page(s):</b>
<b>Item 1: Cover Page</b> .....	1
<b>Item 2: Material Changes</b> .....	1
Item 3: Table of Contents .....	2
<b>Item 4: Advisory Business</b> .....	3
<b>Item 5: Fees &amp; Compensation</b> .....	8
<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management</b> .....	12
<b>Item 7: Types of Clients &amp; Account Requirements</b> .....	12
<b>Item 8: Methods of Analysis, Investment Strategies &amp; Risk of Loss</b> .....	13
<b>Item 9: Disciplinary Information</b> .....	17
<b>Item 10: Other Financial Industry Activities &amp; Affiliations</b> .....	17
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions &amp; Personal Trading</b> .....	18
<b>Item 12: Brokerage Practices</b> .....	18
<b>Item 13: Review of Accounts or Financial Plans</b> .....	23
<b>Item 14: Client Referrals &amp; Other Compensation</b> .....	23
<b>Item 15: Custody</b> .....	24
<b>Item 16: Investment Discretion</b> .....	24
<b>Item 17: Voting Client Securities</b> .....	24
<b>Item 18: Financial Information</b> .....	25

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## Item 4: Advisory Business

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We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services including portfolio management, financial planning, retirement plan advice, and general consulting. Our firm has been in business as an independent investment adviser since 2013. The firm is wholly owned by Integrated Financial Group, LLC. In turn, Integrated Financial Group, LLC. is owned by Donald Warren Patrick and John Land Bridgers, each a principal owner. Please see the **Brochure Supplements(s)** for more information on Mr. Patrick, Mr. Bridgers and other individuals who formulate investment advice and have direct contact with clients or have discretionary authority over client accounts.

As of December 31, 2021, we managed \$2,527,408,766 on a discretionary basis and \$164,352,308 on a non-discretionary basis totaling \$2,691,761,074 assets under management.

### Description of the Types of Advisory Services We Offer

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#### **Comprehensive Portfolio Management:**

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone/video conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We will propose an investment portfolio, consisting of mutual funds, exchange traded funds (“ETFs”), individual stocks or bonds, or other types of securities. Upon the client’s agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client’s portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client’s investments.

#### Pontera (formerly FeeX) Services

We use a third party platform to facilitate management of held away assets such as defined contribution plan participant accounts, on a non-discretionary or discretionary basis. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

### Portfolio Models

We offer our clients the use of in-house portfolio models. These portfolio models are created by individual Financial Advisors, an affiliated firm, outside financial firms, or other registered investment advisers and consist of differing asset allocations using, but not limited to, mutual funds, ETFs, and stocks. We will recommend specific portfolio models deemed most appropriate for the individual client.

### Separate Account Managers

When appropriate and in accordance with the investment plan for a client, we may recommend the use of one or more third party managers or Separate Account Managers, each a "Manager". Having access to various Managers offers a wide variety of manager styles and offers clients the opportunity to utilize more than one Manager, if necessary, to meet the needs and investment objectives of the client. We will select or recommend the Manager(s) we deem most appropriate for our clients. Factors that we consider in recommending/selecting Managers generally include the client's stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, we retain the authority to terminate the Manager's relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by us. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by the Firm.

### Portfolio Management Services through LPL Financial LLC

When appropriate we have the ability to provide advisory services through certain programs sponsored by LPL Financial LLC ("LPL"), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to us. In certain instances, LPL will permit a lower minimum account size than what is stated. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV Part 2A of LPL or the applicable program.

#### *Manager Access Select Program ("MAS")*

MAS provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. We will assist clients in identifying a third party Portfolio Manager from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. We will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value varies by money manager and strategy starting at \$50,000.

#### *Optimum Market Portfolios Program ("OMP")*

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds shares. Under OMP, the client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. We will assist the client

in determining the suitability of OMP for the client and assist in setting an appropriate investment objective. Financial Advisors will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account. A minimum account value of \$10,000 is required for OMP.

#### *Model Wealth Portfolios Program ("MWP")*

MWP offers clients a professionally managed mutual fund asset allocation program. We will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. We initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department or third party portfolio strategists are responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected. The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts. Minimums vary based on strategist and model, starting at \$25,000.

#### *Personal Wealth Portfolios Program ("PWP")*

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. We will have discretion for selecting the asset allocation model portfolio based on client's investment objective. We will also have discretion for selecting third party money managers (PWP advisors), mutual funds and ETFs within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell mutual funds, ETFs and equity and fixed income securities on a discretionary basis. A minimum account value of \$250,000 is required for PWP.

#### *Guided Wealth Portfolios ("GWP")*

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account. Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although we will be available to discuss investment strategies, objectives or the account in general in person or via telephone. See LPL's GWP Program Brochure for detailed information. A minimum account value of \$5,000 is required to enroll in the Managed Service.

#### **Financial Planning & Consulting:**

We provide a variety of standalone financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting can encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Considerations, Cost Segregation Study, Real Estate Analysis,

Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning. Business Valuation estimates are also offered as part of Financial Planning.

Our written financial plans or consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs.

It should also be noted that we refer clients to accountants, attorneys or other specialists, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

#### **Retirement Plan Advisory Services:**

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. Our firm will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services are offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, we will be considered a fiduciary under ERISA. For example, we will act as an ERISA § 3(21) fiduciary when providing general investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain our firm to act as an investment manager within the meaning of ERISA § 3(38), we will provide discretionary investment management services to the Plan. With respect to any account for which we meet the definition of a fiduciary under Department of Labor rules, we acknowledge that both the firm and its Related Persons are acting as fiduciaries. Additional disclosure is found elsewhere in this Brochure or in the written agreement between us and client.

#### *Fiduciary Consulting Services*

##### *Investment Selection Services*

We will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).

##### *Non-Discretionary Investment Advice*

We provide Plan Fiduciaries and Plan Participants non-discretionary investment advice regarding assets classes and investments.

#### *Investment Monitoring*

We will assist in monitoring the plan's investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and we will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

#### *Fiduciary Management Services*

##### *Discretionary Management Services*

When retained as an investment manager within the meaning of ERISA § 3(38), we provide continuous and ongoing supervision over the designated retirement plan assets. We will actively monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, we will have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

##### *Discretionary Investment Selection Services*

We will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. We will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

##### *Investment Management via Model Portfolios*

We will provide discretionary management of Model Portfolios among which the participants may choose to invest as Plan options. Plan Participants will also have the option of investing only in options that do not include Model Portfolios (i.e., the Plan Participants may elect to invest in one or more of the mutual fund options made available in the Plan and choose not to invest in the Model Portfolios at all).

#### *Non-Fiduciary Services*

##### *Participant Education*

We will provide education services to Plan Participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each Plan Participant. Plan Participants are responsible for implementing transactions in their own accounts.

##### *Participant Enrollment*

We will assist with group enrollment meetings designed to increase retirement Plan participation among employees and investment and financial understanding by the employees.

##### *Investment Policy Statement*

We will assist in preparation or review of an Investment Policy Statement (IPS) to ascertain Client's investment objectives and constraints.

*Service Provider Liaison*

We will assist by acting as liaison between the Plan and service providers and vendors. In such cases, we will act only on instruction from the Client and shall not exercise judgment or discretion.

**Educational Workshops and Seminars:**

From time to time, we offer expertise, at no cost, through educational financial workshops presented for clients. Presentations focus on a variety of investment and financial planning topics.

Tailoring of Advisory Services

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We offer individualized investment advice to clients utilizing our Comprehensive Portfolio Management service. These clients may impose reasonable restrictions on the specific or types of investments made. When such restrictions would cause an undue burden, we may decline to manage the assets. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Planning & Consulting, Referrals to Separate Account Managers and Retirement Plan Advisory Services. Due to the nature of these services, restrictions are not generally possible to honor.

Participation in Our Wrap Fee Program

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We offer a wrap fee program in order to simplify the payment of management fees and brokerage expenses. The wrap fee includes the brokerage expenses (i.e., commissions, ticket charges, etc.) of the account as well as our management fee. For further details, please see our **Appendix 1, Wrap Fee Program Brochure**. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our **Appendix 1, Wrap Fee Program Brochure** we receive a portion of the wrap fee for our services.

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**Item 5: Fees & Compensation**

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**Comprehensive Portfolio Management:**

We are compensated for our Comprehensive Portfolio Management services according to the following table:



### Portfolio Value *Maximum* Fee

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
\$0 – \$249,999.99	2.00%
\$250,000 – \$499,999.99	1.75%
\$500,000 – \$749,999.99	1.65%
\$750,000 – \$1,249,999.99	1.40%
\$1,250,000 – \$1,999,999.99	1.25%
\$2,000,000 – \$4,999,999.99	1.15%
\$5,000,000+	1.00%

Our fees are based on a negotiated percentage of the market value of assets under management, not to exceed the respective percentage for each asset category designated above. However, in limited instances, when retained to manage more complex portfolios (typically comprised of individual stocks), we can charge a negotiated annual flat percentage fee not to exceed 2.00% of total assets under management. We consider cash to be an asset class and include these amounts in assets under management for billing and investment management purposes.

Your initial advisory fee will include a pro-rated amount for services rendered from the account opening date with the qualified custodian. With the exception of accounts held with SEI, Lincoln Financial Group and Pontera, advisory fees are billed on a pro-rata basis for cash withdrawals/deposits or terminated accounts during the prior quarter.

With the exception of Lincoln Financial Group and SEI accounts which bill in arrears, all fees are billed in advance at the beginning of each quarter based on the value of the account on the last day of the previous quarter. SEI bills monthly, not quarterly, based on the value of the account on the last day of the month.

A small percentage of our accounts are held with American Funds or Nationwide. Both American Funds and Nationwide calculate the annualized advisory fee based on average daily balance and bill quarterly in arrears.

Fees will be deducted from your managed account; in certain circumstances we allow direct billing as an option to our clients. As part of the fee deduction process, clients are made aware of the following:

- a) Your independent custodian sends statements to you on at least a quarterly (typically monthly) basis showing your holdings, their market value, and all disbursements;
- b) You provide authorization permitting us to be paid directly from the managed account held by the independent custodian;
- c) The custodians calculate the advisory fees for all fee schedules and deduct them from your account.

The ultimate management fee is listed on Schedule A of the client agreement and is indicated on the custodial account application form. Our firm does not have the authority to instruct the account custodian to raise or deduct fees without written client consent.

### Separate Account Managers

We are compensated by Managers for services rendered on Separately Managed Accounts (“SMAs”). The compensation paid to us is typically the same as our stated investment advisory fee percentage. The Manager will also have an agreed upon fixed fee that will be disclosed to the client and charged in addition to our advisory fee. The fee paid to the Manager can be higher or lower than our fee depending on the type of investment strategy utilized within the account. The terms and conditions under which the client shall engage the Manager shall generally be set forth in a tri-party agreement between the client, our firm and the designated Manager.

### Co-Advisers

In certain cases, our Financial Advisors act as co-advisers and refer clients to third party investment advisors that offer asset management services to clients. 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 managers are generally ongoing.

All fees we receive from third party money managers and the separate disclosures made to you regarding these fees comply with applicable SEC rules. 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. Please see **Item 10 – Other Financial Affiliations and Activities** for more information.

### Portfolio Management Services through LPL

LPL serves as program sponsor, investment adviser and broker-dealer for the LPL advisory programs. We and LPL can share in the account fee associated with program accounts. LPL advisory programs have a maximum account fee of 2.50% and are payable quarterly in advance. For more information regarding the LPL programs, please see the LPL Form ADV Part 2 or applicable client agreement.

### **Financial Planning & Consulting**

We charge on an hourly, flat, or annual percentage of Assets Under Advice fee basis for financial planning and consulting services. Assets Under Advice are investments and other assets generally included in a financial plan review, and our firm will provide a schedule of Assets Under Advice annually using year-end values when available. The total estimated fee, as well as the ultimate fee we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are generally up to \$500 for financial advisors. Flat fees generally range from \$1,500 to \$10,000. Our firm reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee for Financial Planning & Consulting services if a client chooses to engage us for our Asset Management services. The client is billed on actual fees accrued if not deducted from a specified advisory account.

For Initial Financial Planning and Miscellaneous Services, we may require a retainer of fifty percent (50%) of the estimated financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to

you. For Ongoing Financial Planning Review, fees are billed and due quarterly, unless otherwise agreed to. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

#### **Retirement Plan Advisory Services:**

We charge an hourly or flat fee basis for consulting services rendered to Plan Sponsors. Our hourly fees range from \$175 to \$350 for Retirement Account Advisory Services. Flat fees range from \$1,500 to \$100,000 or can be charged as a percentage of assets within the plan not to exceed 1.0%. While fees are negotiable, 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. For example, when assessing the fee to be charged, we will consider the size of the plan, number of employees, travel costs (e.g. flights, hotels, etc.), and software subscriptions required to monitor the plan. Fees will be charged annually, quarterly or monthly for ongoing consulting services.

The fee-paying arrangements for the Retirement Plan Advisory service will be determined on a case-by-case basis and will be detailed in the signed client agreement. The client fees will be debited directly from the Plan's account(s) and/or billed by invoice directly to the Plan.

In cases where the fee is charged as a percentage of assets within the plan, the ongoing fee is due and payable annually, quarterly or monthly in advance or in arrears based upon the value of the Plan's Account(s) on the last day of the previous year, quarter, or month. Should the Plan have more than one Account, the fee shall be payable in proportion to the respective Account value(s). The Adviser's fees will be debited directly from the Plan's Account(s) and Client authorizes the custodian for the Plan assets, which will be upon instruction from the Plan's administrator, to deduct Adviser's fees directly from the Plan's Account(s). Client acknowledges that the custodian shall have no responsibility to determine whether the fee is properly calculated. Adviser shall not be compensated on the basis of a share of capital gains or capital appreciation of the Plan's Account(s).

#### **Other Types of Fees & Expenses:**

Our fees are separate and distinct from the internal fees and expenses charged by Managers, mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). Certain Mutual Funds charge a 12b-1 fee to cover annual marketing or distribution costs. The 12b-1 fees are paid to the custodians, not our firm or our Financial Advisors. The client should review our fees and the fees charged by Managers, funds, brokers, and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Please see **Item 12 -Brokerage Practices** for additional information.

Clients typically pay management fees to us separately from the brokerage expenses of the account. Accordingly, our clients will pay a management fee, plus the cost of transactions in the account. Alternatively, clients participating in our Wrap Fee Program will pay one inclusive fee that includes our management fee and the brokerage expenses incurred in the management of their investment portfolio. Our wrap fee program is further described in our **Appendix 1, Wrap Fee Program Brochure**, which is provided to our clients at or before the time of establishing a wrap fee account. Inasmuch as we pay the transaction and execution costs associated with client accounts, this can create a disincentive for us to trade securities in wrap accounts.

### **Termination & Refunds:**

We charge our advisory fees quarterly in advance, except for American Funds, Lincoln Financial, Nationwide and SEI accounts in which fees are charged in arrears. SEI charges fees monthly, not quarterly. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account. If you pay advisory fees in advance, we will process a pro-rata refund of unearned advisory fees. If you are in a program that charges advisory fees in arrears, we will generate a final invoice for fees earned.

### **Commissionable Securities Sales:**

Certain of our associated persons are also associated with LPL, a FINRA and SIPC member and registered broker/dealer and registered investment adviser, as broker-dealer registered representatives (“Dually Registered Persons”). As such, they are entitled to receive commissions or other remuneration on the sale of insurance as well as other products. To protect client interests, our policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to these individuals and also pay an advisory fee to the firm on the same pool of assets. These fees are exclusive of each other.

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## **Item 6: Performance-Based Fees & Side-By-Side Management**

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The Firm does not have any performance-based fee arrangements. “Side-by-Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because we have no performance-based fee accounts, we have no side-by-side management.

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## **Item 7: Types of Clients & Account Requirements**

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Types of clients we typically manage accounts on behalf of, include:

- Individuals and High Net Worth Individuals;
- Trusts, Estates and Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

Our requirements for opening and maintaining accounts or otherwise engaging us:

Overall, our firm does not require a minimum account balance to open or maintain an account. Although, Financial Advisors may negotiate a minimum account balance for their specific management strategies. The client will be made aware of these minimums before opening an account. In addition, we have no minimum fee for written financial plans.

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## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

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### Methods of Analysis

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

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

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

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. We will generally evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

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 for the debiting of advisory fees.

### Investment Strategies We Use

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We use the following, but not all, strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

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

the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

Short-Term Purchases: When utilizing this strategy, we can also purchase securities with the idea of selling them within a relatively short period of time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The risk in this strategy is that the initial funds invested may be lost if a client is heavily invested in one stock or sector of the market with an unsuitable investment or market crash.

Option Writing: We use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

Inherent risks associated with this strategy include time sensitivity and that options are less tangible than other investments. An options contract is for a short period - generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur before the option expires. Options are book entry only investments and do not come with paper certificates of ownership.

#### Risk of Loss

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While our firm seeks to diversify clients' investment portfolios across various asset classes consistent with their investment plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While our firm manages client investment portfolios, or recommends one or more Managers, based on experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that we or a Manager allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that our specific investment choices could underperform their relevant

indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, our firm or a Manager(s) often invest client portfolios in mutual funds, ETFs and other investment pools (“pooled investment funds”). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds’ success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*ETF Liquidity Risks.* While the risks of owning shares of an ETF generally reflect the risks of owning the underlying investments of the ETF, lack of liquidity in an ETF can result in its value being more volatile than the underlying portfolio investments. Trading in shares may be halted because of market conditions or for reasons that, in the view of an exchange, make trading in shares inadvisable. In addition, trading in shares is subject to trading halts caused by extraordinary market volatility pursuant to “circuit breaker” rules. There can be no assurance that the requirements necessary to maintain the listing of the shares of the Fund will continue to be met or will remain unchanged.

*Equity Market Risks.* Our firm and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security’s prospects.

*Fixed Income Risks.* Our firm and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* Our firm and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that are different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments usually involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security’s underlying foreign currency.

*Structured Products Risk.* Structured products are securities derived from another asset, such as a

security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

*Options Risk.* A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

*Margin Risk.* We do not use margin as an investment strategy. However, our clients may elect to borrow funds against their investment portfolio. When securities are purchased, they may be paid for in full or the client may borrow part of the purchase price from the account custodian. If a client borrows part of the purchase price, the client is engaging in margin transactions and there is risk involved with this. The securities held in a margin account are collateral for the custodian that loaned the client money. If those securities decline in value, then the value of the collateral supporting the client's loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in the client's account. The brokerage firm will issue a margin call and/or sell other assets in the client's account to accomplish this. It is important that clients fully understand the risks involved in trading securities on margin, including but not limited to:

- It is possible to lose more funds than is deposited into a margin account;
- The account custodian can force the sale of assets in the account;
- The account custodian can sell assets in the account without contacting the client first;
- The account holder is not entitled to choose which assets in a margin account will be sold to meet a margin call;
- The account custodian can increase its "house" maintenance margin requirements at any time without advance written notice; and
  
- The accountholder is not entitled to an extension of time on a margin call.



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## Item 9: Disciplinary Information

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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## Item 10: Other Financial Industry Activities & Affiliations

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As discussed previously, certain associated persons of or firm are registered representatives of LPL. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about our clients, even if the client does not establish any account through LPL. If you would like a copy of the LPL's privacy policy, please contact our Chief Compliance Officer, Crystal Epstein. **Please see Item 12 – Brokerage Practices for more information.**

Financial Advisors and other related persons of our firm are also licensed with various insurance companies. HTP Insurance and Clear Blue Wealth are affiliated insurance companies owned by some of our Financial Advisors. Our firm, its Financial Advisors, and related persons have a conflict of interest to recommend clients purchase insurance products since commissions may be earned in addition to fees for advisory services. Clients are not obligated to purchase insurance products through us or our related persons.

Certain related persons to our firm are accountants or real estate brokers with outside firms. No clients of our firm are solicited for these services.

Financial Advisors at our firm act as co-advisors and refer clients to unaffiliated third party investment advisors that offers asset management services to clients. As a result, these persons will be paid a portion of the fee charged and collected by the third-party investment advisor in the form of co-advisory fees or consulting fees. Each arrangement is performed pursuant to a co-advisory agreement. This presents a conflict of interest as our Financial Advisors may have incentive to refer clients to a third party investment advisor that has agreed to pay a portion of its advisory fee to our Financial Advisors. In order to mitigate this conflict, our Financial Advisor's must act solely in the best interest of each of our clients at all times. Our firm performs a due diligence review on all third-party money management firms to ensure that they are properly registered. Also, outside persons act as Promoters and refer potential clients to our Financial Advisors. Certain persons will be paid a portion of the client advisory fee pursuant to SEC Rule 206(4)-1.

Many Financial Advisors at our firm have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials and/or client statements. The clients should understand that the businesses are legal entities of the Financial Advisors and not of our firm. The Financial Advisors are under our supervision and the advisory services of the Financial Advisors are provided through our firm. We have these arrangements with the business entities listed in Schedule D of Form ADV Part 1A.

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**Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all clients. 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. 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. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

We recognize that the personal investment transactions of members and associated persons of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and associated persons of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to prevent conflicts of interest, we have in place a set of procedures with respect to transactions effected by our members, officers and associated persons for their personal accounts. (For purposes of the policy, our associate's personal accounts generally include any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.)

Neither our firm nor an associated person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Consistent with the foregoing, we maintain policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an associated person wishes to invest in a private placement, he or she must submit a pre-clearance request to obtain approval for the trade. Related persons' accounts are included in block trades. Our related persons can trade at the same time as the clients, receive same price and their stated pro rata share of the block trade.

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.

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**Item 12: Brokerage Practices**

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**Selecting a Brokerage Firm**

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We seek to recommend a custodian/broker-dealer who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their

services. We consider a wide range of factors, including, among others, the following:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

### **LPL Financial**

While our firm recommends that clients establish brokerage accounts with LPL, member FINRA/SIPC, clients are advised that they are under no obligation to implement our recommendations. Clients may pay commissions or fees that are higher or lower than those that may be obtained elsewhere for similar services.

We receive support services and/or products from LPL, many of which assist us to better monitor and service program accounts maintained at LPL. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate. Where such services are provided by a third party vendor, LPL will either make a payment to us to cover the cost of such services, reimburse us for the cost associated with the services, or pay the third party vendor directly on our behalf. The products and support services we receive include:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by us in furtherance of our investment advisory business operations

The products and services described above are provided to us as part of our overall relationship with LPL. While as a fiduciary we endeavor to act in our clients' best interests, the receipt of these benefits creates a conflict of interest because our recommendation that clients custody their assets at LPL is based in part on the benefit to us of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL.

While LPL does not participate in, or influence the formulation of, the investment advice we provide, certain of our supervised persons are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL. LPL charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because we have a financial incentive to recommend that you maintain your account with LPL rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

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

Transition payments are generally based on the size of the Dually Registered Person's business established at the prior firm and/or assets under custody on the LPL. Such payments typically range from 15 - 30% of the Dually Registered Person's compensation at the prior firm and may be more in some instances. Please refer to the relevant Part 2B Brochure Supplement for more information about any specific Transition Payments your representative may have received. The receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to our advisory business because it creates a financial incentive for our representatives to recommend that clients maintain their accounts with LPL.

We attempt to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person.

#### Recommendation of Custodians other than LPL

We are assessed an "oversight fee" by LPL based on all assets held away from LPL. This fee is passed on to the Advisor of record. This is a conflict of interest because our Advisor's have a financial incentive to recommend the use of LPL as the custodian for client accounts. To mitigate this conflict, our Advisors are required to act in the best interest of the client, not their own interests, when recommending a custodian.

#### **Schwab Advisor Services**

We may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. We are

independently owned and operated and not affiliated with Schwab. Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to us other products and services that benefit our firm but may not benefit its clients' accounts. These benefits may include national, regional or IFG Advisory specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of our firm by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) 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 advisory fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to us other services intended to help our firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to us by independent third parties. Schwab Advisor Services 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 our clients' best interests, our recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to IFG Advisory of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **SEI Investments Management Corp**

We may also recommend clients establish a custodial account with SEI Investment Management Corp (SEI). We work primarily with SEI for administrative convenience and also because SEI offers a good value to our clients for the transaction costs and other costs incurred. SEI provides services which may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

SEI also makes available to us other products and services that benefit us but may not directly benefit client accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data, provide research, facilitate payment of our fees from client accounts and assist with backoffice support, recordkeeping, and client reporting.

SEI may also provide other services intended to help us manage and further develop their respective business enterprises. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, SEI may make available, arrange, and/or discount these types of services to us by independent third parties. SEI may discount or waive fees that it would otherwise charge for some of these services or pay all or a part of the fees charged by a third-party for providing these services to us. The availability of the foregoing products and services is not contingent on us committing to SEI any specific amount of business (assets in custody or trading).

We do not aggregate the purchase or sale of securities for SEI client accounts. Most trades involve mutual funds and exchange traded funds where trade aggregation does not provide any benefit to our clients.

#### Soft Dollars

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Although our Firm does not have any specific Soft Dollar arrangements, we do receive research and other benefits and services outlined above. These benefits and services do not influence our investment advice. Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

#### Client Brokerage Commissions

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Our firm does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

#### Brokerage for Client Referrals

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Our firm does not receive brokerage for client referrals.

#### Aggregation of Trades

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Our firm typically directs trading in individual client accounts as and when trades are appropriate based on the client's investment plan, without regard to activity in other client accounts. When client accounts require rebalancing to meet their investment objectives, those trades will be directed individually, and the purchase or sale price of a security may vary by account. However, from time to time, we may aggregate trades together for multiple client accounts, most often when these accounts are being

directed to buy or sell the same securities. If such an aggregated trade is not filled, we will automatically allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis.

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### **Item 13: Review of Accounts or Financial Plans**

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We review client accounts on at least a quarterly basis. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We may review client accounts more frequently than described above. Among the factors which generally trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us.

We do not normally provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis.

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### **Item 14: Client Referrals & Other Compensation**

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#### Additional Compensation

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As noted above, we receive an economic benefit from our custodians in the form of support products and services they make available to us and other independent investment advisors whose clients maintain accounts at these custodians. LPL also provides other compensation to our Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits. These products, services and compensation, how they benefit the Firm and its related persons, and the related conflicts of interest are described in **Item 12 - Brokerage Practices**.

The availability of our custodians' products and services is based solely on our participation in the program and not in the provision of any particular investment advice. Our clients do not pay more for investment transactions effected and/or assets maintained at these custodians as result of this arrangement. There are no commitments made by us to our custodians or any other institution as a result of the above arrangement.

#### Referral Fees

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We may enter into arrangements with third party Promoters to identify and refer potential clients to us. Promoters are required to disclose their conflict of interests arising from their compensation arrangements with our firm.

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**Item 15: Custody**

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Our firm has limited custody of client funds due to the deduction of advisory fees. We also have custody of client funds by allowing Standing Letters of Authorization. We have followed the conditions required by the SEC for these types of custody and, therefore, do not need to obtain a yearly surprise audit of our firm.

LPL is the custodian of nearly all our client accounts. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify us of any questions or concerns. Clients are also asked to promptly notify us if the custodian fails to provide statements on each account held.

All of our clients receive at least quarterly account statements directly from their custodian(s). We encourage our clients to raise any questions with us about the custody, safety, or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

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**Item 16: Investment Discretion**

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Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. Clients grant us investment discretion, through a limited power of attorney in their advisory agreement. The Firm is then authorized to execute securities transactions, which securities are bought and sold and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This can result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. In a nondiscretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

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**Item 17: Voting Client Securities**

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We do not accept the authority to vote proxies on behalf of our clients. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.



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**Item 18: Financial Information**

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We are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

We do not require, nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have no disclosure with respect to this item.