Part 2A of Form ADV: Firm Brochure

The Pacific Financial Group, Inc.

777 108th Avenue Northeast, Suite 2100
Bellevue, Washington 98004

Telephone: 425.451.7722
Facsimile: 425.451.7731
E-mail: compliance@tpfg.com
Web Address: http://www.tpfg.com

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This Disclosure Brochure provides information about the qualifications and business practices of The Pacific Financial Group, Inc. ("TPFG"). If you have any questions about the contents of this Brochure, please contact Jason Luhan, Chief Compliance Officer, at 800 735-7199 or compliance@tpfg.com. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any references to or use of the terms "registered investment adviser" or "registered", does not imply that TPFG or any person associated with TPFG has achieved a certain level of skill or training.

Additional information about TPFG is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for TPFG is 105203.

Item 2. Summary of Material Changes

The purpose of this page is to inform you of any material change since the last annual update to our Disclosure Brochure. If you are receiving this Disclosure Brochure for the first time, this section may not be relevant to you.

The Pacific Financial Group, Inc. (“TPFG”, “we”, “firm”, “our”, or “us”) reviews and updates its Disclosure Brochure at least annually to confirm that it remains current. Below is a summary of the changes made to our Disclosure Brochure since the last update which was effective March 29, 2019.

Material Changes Previously Disclosed March 30, 2020

- In 2017 TPFG merged with The Elements Financial Group, LLC an SEC registered investment adviser. As a result of the merger, both firms became under common ownership and control of The Pacific Holdings Group, LLC. and the Elements Financial Group was renamed Pacific Financial Group, LLC (hereafter “PFG”). Beginning March 1, 2020, as part of the continued merger of the two firms, PFG retail clients are now serviced by TPFG and PFG remains the adviser to the PFG Funds which are used as building blocks to the Strategy Plus and Self Directed Brokerage Account (See ***Item 4*** for details about these and other programs offered by TPFG).

- Beginning May 1, 2020 the RiskPro Funds which are the proprietary family of mutual funds advised by PFG were rebranded to the PFG Mutual Funds. Certain of the management disciplines of the PFG Funds and the models deployed in the Strategy Plus and SDBA programs were revised to accommodate the change in fund structure. Other than the Conservative tolerance range which was increased from 0%-8.83% to 0%-12%, these changes will not alter the risk profile or TPFG’s investment disciplines and analysis in constructing the models. In addition to rebranding the funds, the fee structure of the funds was changed. Whereas before the funds paid a management fee of 1.25%, a shareholder servicing fee of .25%, 12b-1 distributions fees of .25%, and other estimated administrative fees between .23% and .35%, depending on the fund, the new fee structure consists of 1.25% in management fees, .70% in administrative service fees and .10% in 12b-1 distribution fees. See ***Item 5*** Fees and Expenses for a more detailed description.

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Item 4. Advisory Business

TPFG is a Washington State based investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). TPFG was founded in 1984 and its principal place of business is located in Bellevue, Washington. Megan P. Meade and Nicholas B. Scalzo serve as Co-Chief Executive Officers for the firm. Our boutique firm is structured to provide quality, professional investment advice and excellent service to each client.

In September 2017, TPFG was reorganized. As a result, TPFG is a wholly owned subsidiary of The Pacific Holdings Group, LLC, a Washington State limited liability company ("Pacific Holdings"). ProTools, LLC ("ProTools"), the developer of RiskPro®, a software tool used for risk management, and Pacific Financial Group, LLC, a California based investment adviser registered with the SEC, are also wholly owned subsidiaries of Pacific Holdings. Megan Meade, the Co-Chief Executive Officer of our firm, is the owner of more than 50% but less than 75% of the Membership Interests in Pacific Holdings.

Management of Pacific Holdings is under the control of Megan Meade, Co-Chief Executive Officer; Nicholas Scalzo, Co-Chief Executive Officer; James McClendon, Managing Member; and Gaetan Scalzo, Managing Member.

TPFG provides five principal types of investment advisory programs ("Investment Programs"): (1) the Strategy Plus and Self Directed Brokerage Account Programs; (2) Separately Managed Account Program; (3) the Enhanced Portfolio Investment Centre and Multi Mandate Strategy Programs; (4) Core Retirement Optimization Program; and (5) Variable Annuity Optimization Program. TPFG works with investment adviser representatives affiliated with registered investment advisers ("Introducing Firms") who refer clients to TPFG.

1. <u>TPFG's Investment Programs</u>

A. Strategy Plus and Self-Directed Brokerage Account - Strategy Plus Programs

The Strategy Plus and Self Directed Brokerage Account – Strategy Plus ("SDBA") Programs are available to all investors but are most frequently used by Clients in connection with retirement accounts under the Employee Retirement Investment Security Act of 1974 ("ERISA"), or under Sections 401(a) or 408 of the Internal Revenue Code of 1986 ("Code"). For the SDBA Program, the Client will open a Self-Directed Brokerage Account (a "Self Directed account") as permitted by the Client's retirement plan which permits the participant (i.e. the Client) to direct the investments in the account and in most cases, to appoint TPFG as the adviser to the account. Assets held in the Self-Directed account are considered plan assets under ERISA, but are not supervised or reviewed by the plan fiduciaries. The Strategy Plus program is the same as the SDBA except the Model Portfolios (each a "Model") are held in traditional brokerage accounts and not part of a retirement plan.

Each Model is developed and managed by TPFG and is made up solely of the PFG Funds. Clients become shareholders of the PFG Funds when participating in the Strategy Plus or SDBA Programs. The PFG Funds are funds of funds meaning they hold other funds (each an "Underlying Fund") within the PFG Fund. For several of the PFG Funds, PFG uses research services provided by independent strategists (each a "Strategist") which results in some of the PFG Funds investing at least 80% of the Fund's net assets in funds advised by a single Strategist.

Using the RiskPro® Funds as building blocks, TPFG develops and manages a variety of Models, designed to correspond to a range of investment risk as measured by RiskPro® ranging from Conservative to Aggressive.

TPFG has created a series of Models with each series following a specific discipline of blending Strategic and Tactical allocations comprised of Active and Passive underlying investments.

- **Target Plus™** - Incorporates a traditional target-date disciplined enhanced by merging strategic and tactical allocations with both passive and active fund options. Customized individual risk budgets combined with this sophisticated investment process, elevates traditional target-date investing.

- **Index PLUS™** - Brings active allocation to a passive strategy by taking Index funds with low-cost beta providing access to market movement. TPFG then actively allocates between sectors, countries, and economic themes and tactical bond allocations.

- **Focus PLUS™** - Provides the ability to access single strategist models created from TPFG's relationships with industry leading strategist.

- **Multi PLUS™** - Provides a diversified multi-strategist approach that positions TPFG's investments strategy specialists to deliver models with significant diversification across all five risk tolerance ranges.

Prior to investing in any of the PFG Funds, or in any of the Models, investors should consider carefully the investment objectives, risks, and charges and expenses of each of the PFG Funds. The PFG Funds' Prospectus contains this and other important information and should be read carefully before investing. To obtain a copy of the PFG Funds' Prospectus, please contact TPFG at 800 735-7199 or visit www.TPFG.com.

B. Separately Managed Account Program

TPFG offers six Model Portfolios in the Separately Managed Account Program ("SMA Models"). The SMA Models are pre-defined models managed by TPFG's Investment Committee consisting of Mutual Funds and ETFs held within a single account. Advisers will frequently refer Clients to TPFG's SMA Models if the Client has investable assets of more than $1,000,000, though the minimum investment is significantly lower. See ***Item 7, Types of Clients***.

The six SMA Models each have their own investment discipline:

- **<u>Equity</u>** - The objective of the Equity SMA Model is to provide returns similar to the S&P 500. To achieve this objective, a blend of mutual funds and ETFs are used in the allocation. The Equity SMA Model proactively adjusts exposure to various sectors, market capitalizations, and style depending on market conditions.

- **Balanced** - Is for the investor who would like to have exposure to stocks and bonds. This blended strategy proactively adjusts the stock-bond ratio in response to the market environment. The objective is to strike a balance of returns that fall between stocks and bonds. To achieve this objective, a blend of mutual funds and ETFs are used in the allocation.
- **Income Cash Yield –** Is designed for the investor who desires monthly income from their portfolio. The Model seeks a high level of income consistent with a moderate level of risk by investing primarily in a variety of income producing asset classes including debt securities, equities, preferred and liquid alternatives. To achieve this objective, a blend of mutual funds and ETFs are used in the allocation.
- **Strategic Equity -** The objective of the Model is to provide returns similar to the S&P 500. To achieve this objective, a blend of equity ETFs are used across market capitalizations.
- **Strategic Balanced -** Seeks income and capital appreciation consistent with reasonable risk through exposure to equity and fixed income. It is ideal for an investor with a moderate risk tolerance. The strategy has the flexibility to adjust equity exposure based on market conditions, with a 30%-70% range. Equity exposure is generally broadly diversified across market capitalizations, along with dynamic allocations to sectors and styles with a favorable view. Fixed income holdings will also be dynamically managed to take advantage of opportunities across sectors, yield, and duration.
- **Strategic Moderate Growth** - Seeks capital appreciation, through exposure to equities and fixed income securities, along with minimizing adverse tax events. The portfolio is ideal for the investor with a moderate aggressive risk tolerance. The allocation is strategic in nature with a neutral position of 80% equities and 20% fixed income. Equity exposure will include broad diversification across various market capitalizations. Fixed income exposure will also be broadly diversified across sectors, credit quality, and maturities. The benchmark for the strategy is a blend of 80% S&P 500 Index and 20% Bloomberg Barclays U.S. Aggregate Bond Index.

C. The Enhanced Portfolio Investment Centre and Multi Mandate Strategy Programs

TPFG sponsors two turnkey asset management platform (each a “Platform”) entitled the Enhanced Portfolio Investment Centre (“EPIC”) Platform and the Multi Mandate Strategy (“MMS”) Platform. These Platforms offer Advisers pre-defined models created by TPFG as well as the ability to build custom allocations (“Practice Level Models”) using multiple strategies provided by unaffiliated institutional money managers (“Strategists”) who will utilize their own investment discipline. Before making a Strategist available on a Platform, TPFG reviews key characteristics, such as historical performance, consistency of returns, risk level, expenses, and the investment discipline of each Strategist.

Under these Platforms, TPFG provides a variety of services and technology to the Client’s Adviser. Such services include: trading; access to RiskPro®, a risk analysis and portfolio construction software solution; research tools; and solutions to create investment proposals and policy statements among others. Platform services also include a variety of non-investment management services such as access to software that assists in the administration of Client accounts to include assistance in setting up and maintaining accounts; account management agreements and required disclosures; account billing and record keeping; performance reporting; and enabling clients and advisers to view and manage Client information.

In addition to the Role of Adviser (See ***Role of Adviser***), Client grants to TPFG a Limited Power of Attorney to execute trades in accordance with the investment discipline established by a Model or Strategist as selected by the Client. In administering each Platform, TPFG has the discretion to determine the Models or Strategists (to include the removal and substitution of a Model or Strategist) that will be available on the Platform and TPFG will monitor the Strategists, and any predefined Models to ensure consistency with the stated disciplines. However, the Client's financial adviser ("Adviser") is the party responsible for determining the appropriateness of the program and any allocation(s) selected. The specific services provided to the Client, to include without limitation, investment management, trading, account maintenance and other back-office services, such as recordkeeping, billing, and other non-investment management services, and the roles and responsibilities of TPFG and Adviser, are more fully disclosed in the Investment Management Agreement and Statement of Investment Selection entered into by TPFG, the Adviser, and the Client.

D. Core Retirement Optimization

The Core Retirement Optimization ("CRO") Program offers predefined Managed Models consisting of mutual funds and/or other investment vehicles offered by the sponsoring company of a retirement plan such as 401(k), 403(b), 401(a) or 457 plans (each a "Plan") and is used for accounts that don't offer a Self-Directed Brokerage Account option. The CRO Program offers five strategies which are optimizations of the core investments offered in the particular plan. Each model uses a diversified asset allocation strategy to manage risk. The client, along with the Adviser, determine the appropriate strategy based on the goals, objectives, risk tolerance, needs and time frame of the Client. The CRO Program appeals to a wide range of clients to include those who are just beginning to save for retirement as well as Clients with an established account who are preparing to retire.

The CRO strategies consist of:

- **Conservative:** Designed for the investor seeking stability. The primary goal of this strategy is capital preservation, with capital appreciation being secondary. It has a low level of risk/volatility.
- **Moderately Conservative:** Designed for the investor seeking capital appreciation and preservation. The primary goal of this strategy is long-term capital appreciation, with income being secondary. It seeks a low level of risk/ volatility, but more risk than Conservative.
- **Asset Allocation:** Designed for the investor seeking capital appreciation and current income. The primary goal of this strategy is long-term capital appreciation, with some emphasis on current income. It has a moderate level of risk/volatility.
- **Strategic Equity:** Designed for the investor seeking capital appreciation through equities. The primary goal of this strategy is long-term capital appreciation. It has a moderately high level of risk/volatility.
- **Global:** Designed for the aggressive investor seeking long-term capital appreciation. The emphasis of this strategy is on long-term capital appreciation. It has a high level of risk/volatility.

E. Variable Annuity Optimization Program

TPFG manages a Client's variable annuity sub-accounts by creating Models consisting of different allocations using the sub-accounts offered within the annuity sponsor. A Variable Annuity Optimization (VAO) account leverages TPFG's analytical processes to accurately define variable annuity sub-accounts. TPFG will use its analytical processes to rebalance the sub-account selection so as to create a diverse portfolio suited for various economic conditions and an investor's risk temperament. The goal of the VAO models is to provide optimal returns based on a risk/return profile while trying to manage downside risk. The VAO option is ideal for investors with a moderate to aggressive risk tolerance that either already own a variable annuity or who are obtaining a variable annuity through an insurance company with whom TPFG is established as a third-party investment adviser. ***TPFG does not sell or recommend any insurance/annuity products***.

The portfolios constructed will depend on the available list of sub-accounts within the respective variable annuity. TPFG's ability to manage the sub-account will vary by sponsor, product, and any riders attached to the account (the "Policy Rider"). TPFG works with a number of different annuity sponsors and typically offers the following types of Models, though not all Models are available at all annuity sponsors:

- <u>Asset Allocation</u>: Designed for the investor seeking capital appreciation and current income. The primary goal of this strategy is long-term capital appreciation, with some emphasis on current income. It has a moderate level of risk.
- <u>Strategic Equity</u>: Designed for the investor seeking capital appreciation through equities. The primary goal of this strategy is long-term capital appreciation. It has a moderately high level of risk/volatility.

2. <u>Role of the Adviser</u>

In most all instances, Clients are referred to TPFG by the Client's financial adviser ("Adviser") whose supervising firm (the "Introducing Firm") has contracted with TPFG to allow the Adviser to offer TPFG's products and services to the Introducing Firm's clients. The Introducing Firm is responsible for supervising the activities of its Advisers. In this regard, TPFG and the Introducing Firm each have their respective and several obligations to the Client. Accordingly, the Client is a client of both TPFG and the Introducing Firm. Regardless of the Program selected or the services which may be provided, the Adviser serves as the primary relationship contact with the Client and, in general, provides the following types of services:

- <u>General Duties.</u> The Adviser is responsible for obtaining and reviewing sufficient information relevant to the Client's investment objectives, risk profile and investment history so as to evaluate the appropriateness of the Program(s) recommended. The Adviser remains the primary point of contact for the Client and will serve as the liaison between TPFG and the Client. The Adviser remains responsible for gathering and communicating the Client's financial information, risk tolerance and investment objectives to TPFG. As the Client's Adviser, the Adviser periodically confirms (at least annually) the appropriateness of the investment objectives deployed and will notify TPFG of any necessary changes that need to be made to any Account(s). The Adviser may provide other clerical or administrative services for the Client's account and may also provide other services outside and in addition to the Services offered through TPFG.

- Client On-Boarding. The Adviser facilitates the on-boarding process for the Client, including supporting the Client in completing the new account opening paperwork, determining the appropriateness of one or more Programs, and for gathering such other information as may be required to service the Account. During the Client onboarding process, Clients will complete an Account Application which includes an Investment Management Agreement ("IMA") which notes the agreement between the Client, Adviser and TPFG; a Statement of Investment Selection or Investment Election Form (collectively "SIS"), which is used to identify which of the Programs is being selected by the Client and the investment allocation chosen; and a Separate Fee Disclosure Statement which notes the fees associated with each Program selected, the manner in which the fees are paid and the party receiving the fees. In addition to the IMA, SIS and Separate Fee Disclosure, the Adviser is responsible for providing Clients with TPFG's Privacy Policy, Code of Ethics, and From ADV Part 2A (this brochure) and Part 2B, and the appropriate PFG Fund prospectus as applicable, all of which are incorporated into the Management Agreement by reference

- Client Relationship. As the primary point of Client contact, the Adviser assists with receiving, ascertaining, forwarding and communicating any instructions of the Client to TPFG and promptly providing copies of all required documentation to TPFG and the Client as necessary.

- Investment Program Selection and Allocation. It is the Adviser's responsibility to understand the Programs and TPFG's policies relative to the Programs when evaluating or recommending a Program to a Client. The Adviser educates the Client about TPFG's Programs, and determines with the Client, the Program and investment allocations that are consistent with the Clients investment objectives.

- Ongoing Monitoring. The Adviser maintains ongoing contact with the Client to obtain updated information about each Clients investment objectives, risk tolerance and needs, as they may change from time-to-time, and to review with the Client whether the investment Program or allocation remain consistent with the Clients investment objectives and financial circumstances. The Adviser will communicate any changes to TPFG as necessary.

3. Role of TPFG

In assisting the Adviser, TPFG will provide a variety of services based on the product or service selected by the Adviser. When serving as an investment manager to a Client account, TPFG is responsible for managing the investment selections it makes available which will include the creation and management of Models to ensure the Model adheres to its stated discipline, the management and review of the Strategists it makes available, and for executing trades within the account (when permitted) to maintain the selected allocation. In addition, TPFG will make available one or more non-investment related products, platforms or services. These non-investment services can include administrative services for shareholders of the PFG Funds, account maintenance and service functions such as maintaining and trading Practice Level Models created by the Adviser, sponsoring and maintaining technology platforms or services, processing distribution requests, providing performance and transaction statements, among other services. The specific services provided by TPFG to the Client are more fully described in the IMA and applicable SIS.

4. TPFG as Adviser to Private Clients.

TPFG typically provides its Programs and services to Clients who are introduced through TPFG's national network of Introducing Firms. Under certain circumstances, Advisers of TPFG will service Clients directly. When advising Clients directly, the Client will be a "Private Client" and TPFG will assume the roles and responsibilities otherwise assumed by the Introducing Firm. In this regard, TPFG assumes supervisory responsibilities applicable to the activities of the TPFG Adviser. The services provided to Private Clients, to include any fiduciary responsibilities, shall be viewed in light of the provisions of the Uniform Prudent Investor Act as applicable under governing law.

5. Limited Power of Attorney:

Client will grant Adviser a Limited Power of Attorney ("LPOA"). When granting LPOA to the Adviser, the Client is authorizing TPFG to accept instructions from the Adviser without first verifying the instruction with the Client. Any instructions provided by the Adviser must adhere to TPFG's policies as TPFG may establish and modify from time to time in its sole discretion. The authorization granted under the LPOA includes:

- Trading and Allocation Authorization - The Adviser is authorized to effect changes to the Account without first consulting the Client as it relates to the Allocation to include the selection of one or more Models or Sleeves, the timing of adding or removing a Strategist, or to otherwise allocate the Account as the Adviser may deem appropriate within the selected Program and as permitted by the IMA, the applicable SIS, or TPFG's policies governing the Program(s).

  Except as may be required to liquidate an existing position transferred into the account, trading authority does not grant to the Adviser, the authority to buy or sell individual securities or to otherwise alter the security weightings of any one or more Strategist. The Adviser is not authorized or permitted to allocate to the Account a Strategist, fund, security or other investment vehicle not offered by the selected Program. Unless otherwise specified, this authorization does not grant the Adviser the discretion to create custom models ("Practice Level Models") for the Strategy Plus, SDBA, SMA, VAO or CRO Programs as those programs are limited solely to the selection of Models created and managed by TPFG. Client authorizes TPFG to rely on the representations made by the Adviser that the Allocation and any risk profiles associated with the Allocation are appropriate for the client. TPFG is not responsible if an Allocation or risk level is not appropriate for the client based on the Client's investment objectives.

- Disbursement Authorization – Adviser is authorized to effect changes without first consulting Client as it relates to disbursing funds for further credit to one or more accounts previously identified and approved by Client having the same name and registration as the source account, or by check made payable to Client and delivered to the Client's address of record on file with TPFG. (See ***Item 15 Custody*** for more additional information relevant to disbursements).

- Revoking LPOA – The Client is free to revoke any LPOA granted at any time by providing TPFG written notice and reasonable time to comply. Client may also revoke disbursement authorization by contacting the account custodian and revoking any Standing Letters of Authorization ("SLoA"). TPFG is not responsible for acting on any instructions received prior to the Client's revocation of the LPOA.

6. Fiduciary Obligations of TPFG and Adviser

TPFG and Adviser will serve as fiduciaries to the Client in accordance with the rules and regulations under the Advisers Act, ERISA, and generally accepted fiduciary principles which permits the allocating of fiduciary duties between fiduciaries. Accordingly, unless prohibited by law, the fiduciary obligations assumed are several between TPFG and Adviser. When TPFG is providing services to Private Clients (See TPFG as Adviser to Private Clients), the services provided to Private Clients, to include any fiduciary responsibilities, shall be viewed in light of the provisions of the Uniform Prudent Investor Act as applicable under governing law.

In acting as a fiduciary, TPFG will be a fiduciary for only those Services for which it is expressly engaged as noted in the IMA, SIS and this brochure, to include, maintaining the various Program(s) and managing the Allocation(s) in accordance with the prescribed investment mandate or in accordance to information and instructions provided to TPFG by the Client or the Adviser. Except when servicing Private Clients, under no circumstances will TPFG be deemed to be providing fiduciary services relating to, and without limitation, the selection, evaluation or appropriateness of any investment options, programs, share class, risk tolerance or other personal advice, whether made available through a Program or elsewhere, were such advice is specific to the needs and objectives of the Client. Client expressly agrees and understands that any and all such fiduciary services specific to the Client are provided by the Adviser and not TPFG. Notwithstanding the foregoing, TPFG may assist the Client and/or Adviser in the performance of other Non-Fiduciary Services but shall not be liable for any liabilities or claims arising thereunder unless directly caused by TPFG's intentional misconduct or negligence, or as may be prohibited by applicable law.

ERISA Fiduciary Obligations - To the extent an Account is governed by the Employee Retirement Income Security Act of 1974 ("ERISA"), TPFG and Financial Adviser shall be fiduciaries under Section 3(21)(A) of ERISA only.

7. Terminating the IMA

A Client may terminate the Investment Management Agreement ("IMA") by notifying TPFG in writing at its principal place of business or by sending an email to TPFG's Client Services at teamcs@TPFG.com. In addition, the Client's Adviser, acting at the direction of the Client, may terminate the Client's Management Agreement in the same manner. TPFG may terminate the IMA by providing the Client with written notice. In addition, the Client has the right to terminate the IMA or services under an SIS without penalty within five business days after entering into the Agreement. In all instances of termination, any prepaid and unearned fees will be promptly refunded. In calculating a Client's reimbursement of fees, TPFG will pro rate the reimbursement according to the number of days remaining in the billing period.

8. <u>Assets Under Management</u>

As of March 25, 2020, TPFG's total amount of discretionary assets under management was $2,336,318,385 and TPFG's total amount of non-discretionary assets under management was $48,585,771.

Item 5. Fees and Compensation

Clients will pay various fees for the servicing of their account as determined by the Program selected as more fully described herein and in the Statement of Investment Selection and Separate Fee Disclosure ("SIS"). Except for the fees assessed in the Strategy Plus and SDBA Programs, or in situations where the Client has elected to pay the fees from sources other than the account, TPFG may need to liquidate one or more holdings to raise cash to pay the fees. The fees paid are used by TPFG to maintain its operations which include management fees, compensating Advisers for their services, and maintaining the various Programs. Unless otherwise noted here, the fees assessed by TPFG are exclusive of any fees a fund or other investment vehicle may charge as well as any brokerage or account maintenance fees which may be charged by the Custodian. See ***Item 12 Brokerage Practices***.

1. <u>Strategy Plus Program and SDBA Program Fees</u>

Clients that participate in the Strategy Plus Program or Self-Directed Brokerage Account - Strategy Plus Program are investing in models that consist solely of the PFG Funds managed by TPFG's affiliate, PFG. The PFG Funds pay the following fees which are indirectly paid by the Client as a shareholder of the PFG Funds. These fees are internal expenses of the PFG Funds and are not negotiable. The fees are assessed against the daily Net Asset Value ("NAV") of each underlying fund and are paid monthly. Clients will indirectly pay through the PFG Funds, the following fees when participating in the SDBA and Strategy Plus Programs.

<u>Advisory Fee</u> - The Funds will pay 1.25% of the NAV of each Fund to PFG, an affiliate of TPFG, for providing investment advice to the Funds. The receipt of these fees provides an indirect benefit to TPFG as TPFG is able to use the fees in its affiliated operations with PFG which would otherwise be borne by TPFG.

<u>12b-1 Fees</u> - 12b-1 Fees 0.10% to support the distribution of the PFG Funds and are paid by the Funds to the Fund's distributor Northern Lights Distributors, LLC ("NLD") a broker dealer specializing in mutual funds distribution. Neither TPFG nor any of its affiliates are FINRA member broker dealers as such, TPFG is not able to, and does not receive any 12b-1 fees.

Administrative Services Fee - Effective May 1, 2020, TPFG entered into an Administrative Services Agreement with the PFG Fund's Trust. Under the terms of the Administrative Services Agreement, TPFG receives a fee from each Fund in an amount equal to 70 basis points (0.70%) of the Fund's NAV for providing administrative services to include facilitating subscriptions to the PFG Funds, providing investor support, and responding to inquiries about the PFG Fund and assisting in account maintenance.

Conflicts of Interest when Receiving Compensation from the PFG Funds - TPFG's receipt of fees from the PFG Funds creates a conflict of interest as TPFG has an incentive to select the PFG Funds for the fees paid to its affiliate. To mitigate this conflict, Clients that participate in the Strategy Plus and SDBA Programs are not charged any additional platform, trading or advisory fees by TPFG.

Client Pays Fund Fee Regardless - When participating in the Strategy Plus or SDBA Programs, the Client is investing in one or more PFG Funds. As a shareholder of the PFG Funds, the internal fund fees are assessed against the fund and indirectly paid by the Client regardless of the services rendered or the particular Model Portfolio selected. Accordingly, if the Client terminates the advisory agreement with TPFG and/or the Adviser, the PFG Funds will continue to assess the fees but the client will no longer be receiving the benefits of the services provided by TPFG or the Adviser. Because the fees are contained within the PFG Funds, Clients are not able to negotiate the fees assessed by the funds. Clients should review the Prospectus for a description of all fees and charges assessed. A copy of the PFG Funds prospectus can be found at www.TPFG.com. In addition to the discussion of fees paid by the Client in this disclosure brochure, the amounts and sources of all fees paid by the Client to TPFG and the Adviser are disclosed in the Separate Fee Disclosure. By evaluating these disclosure documents with the assistance of the Client's Adviser, the Client will be able to make fully informed decisions.

2. Separately Managed Accounts; Core Retirement Optimization; and Variable Annuity Optimization

For Separately Managed Accounts, Core Retirement Optimization and Variable Annuity Optimization Programs Clients pay a management fee to TPFG and a fee is paid to the Adviser for referring the Client to TPFG and for other services provided to the Client by the Adviser. The fee schedule is as follows:

Assets Under Management	Annual Fee To TPFG	Annual Fee to Adviser
$0 to $500,000	1.00%	1.00%
$500,001 to $3,000,000	0.75%	0.75%
$3,000,001 to $5,000,000	0.50%	0.50%
$5,000,001 to $10,000,000	0.40%	0.40%
$10,000,001 and up	Subject to Negotiation	Subject to Negotiation

All fees are based on the value of the Client's account at the beginning of each calendar quarter and are normally billed one quarter in advance. Fees are deducted from the Client's account on a quarterly basis, though the Client has the option of paying the quarterly fees from other sources.

In addition, TPFG assesses a $40.00 annual administrative fee (deducted at the rate of $10.00 per quarter) on all Separately Managed, Core Retirement Optimization and Variable Annuity Optimization accounts.

3. <u>EPIC and MMS Program Fees</u>

For the EPIC and MMS Programs, the Client will pay an annual Program Fee that includes a Platform Fee for TPFG services which include TPFG's Management Services and to cover the cost of administering the platform, and an Adviser fee paid to the Adviser for referring the client to TPFG and for other services provided by the Adviser. TPFG will collect the Program fee and remit the Adviser Fee to the Adviser. The Platform and Adviser fees are negotiated and can be either tiered based on account value or a fixed rate, but the total annual fee paid shall not exceed 1.95% as noted in the table below.

ANNUAL TOTAL EPIC / MMS Program FEES:		
Maximum Platform Fee	Maximum Adviser Fee	Maximum Program Fees [1]
0.45%	1.50%	1.95%

All fees are based on the value of the Client's account at the beginning of each calendar quarter and are billed one quarter in advance. Fees are deducted from the Client's account on a quarterly basis, though the Client has the option of paying the quarterly fees from other sources. If the Client terminates the IMA during a quarter, the Client will be rebated the pro-rated remaining portion of the fee paid. The annual fees paid by the Client to the Adviser vary and will not exceed 1.50%. The fees paid to the Adviser are negotiated between the Client and Adviser and are set forth in the SIS. The fees paid by the Client in the EPIC or MMS Programs may be amended by TPFG upon providing the Client with no less than thirty (30) days' written notice.

<u>Platform Fee Off-Set</u> - In some instances TPFG receives payments from the Strategists or Investment Products it makes available through the Programs. These payments create a conflict of interest as TPFG has an incentive to make available Strategists and/or Investment Products based on the fees received, rather than on the Client's needs. To mitigate these conflicts of interest, TPFG uses these payments to reduce (or off-set) the Platform Fee paid by the Client to TPFG so that the client is not paying more as a result of the payments received.

<u>Additional Strategist Fee</u> - Strategist are typically paid when the Strategist uses its proprietary funds. Accordingly, the Strategist is compensated from the Internal Fund Expenses charged by the various funds used by the Strategist. Under certain circumstances, a Strategists may charge the Client a separate fee (the "Strategist Fee") for managing a Model or allocation. This typically

[1] See Additional Strategist Fee disclosure.

occurs when the Strategists is managing investments that are not proprietary or do not pay Internal Fund Expenses to the Strategist. In such instances, the Strategist Fee will be assessed against the account and TPFG will collect the fee on behalf of the Strategist and remit the fee to the Strategist. The annual Strategist Fee shall not exceed 1.00% annually of the Client's Assets allocated to the Strategist. The Strategist Fee is based on the pro-rata period of time the Client's Assets were invested in the strategy. TPFG may need to liquidate securities to raise requisite funds to pay the Strategist Fee on behalf of the Client. The amount of the annualized Strategist Fee is in addition to the Program Fee and is disclosed to Client when the Strategist is selected. The Strategist Fee may be amended by the Strategist, upon providing the Adviser and Client with no less than thirty (30) days' written notice. The Adviser is responsible to ensure appropriate disclosure of the Strategist Fee to the Client. TPFG does not participate in or receive any portion of the Strategist Fee.

3. Additional Fee Information

Other fees may apply - Other than for the PFG Funds as used in the Strategy Plus and SDBA Programs, all fees paid by Clients to TPFG and to the Adviser are separate and distinct from the fees and expenses charged by the underlying investment vehicles to include without limitation mutual funds, ETFs or variable annuity sub-accounts (collectively, "Underlying Funds"). The fees and expenses of the Underlying Funds are described in each Fund's prospectus or other disclosure document. These fees typically include a management fee, in some instances a shareholder services and/or distribution (Rule 12b-1) fee, and other expenses of the Underlying Funds. If an Underlying Fund imposes sales charges, the Client may pay an initial or deferred sales charge. Further, the fees described in this Section are separate from any other fees and expenses charged by other parties, including brokerage, custodian, and other transaction costs. For more information about brokerage costs, see ***Item 12, Brokerage Practices***.

Client could invest for less - A Client could invest directly in an Underlying Fund without paying the fees charged by TPFG or the Adviser. In such a case, the Client would not receive the services provided by TPFG or the Adviser which are designed, among other things, to assist the Client in determining which of TPFG's Investment Programs and which investment products are most appropriate relative to the investment needs and objectives of the Client. Accordingly, the Client should review the fees charged by the Underlying Funds and the fees charged to participate in a TPFG Program to understand the total amount of fees to be paid by the Client so as to evaluate the services being provided and to make an informed decision. The Client should also consider any fees paid to the Adviser and the services provided by the Adviser.

Householding and Reduced Fee - Where fees are deducted from the Client's account, such as in SMAs, the EPIC Program, Core Retirement Optimization and Variable Annuity Optimization, various related Client accounts may be grouped together to qualify for reduced fees ("Householding"). Householding applies to Clients that are part of the same family. SDBA and Managed Strategist accounts are not eligible for Householding. Householding is not automatic and must be established by providing TFPG written instructions which are subject to TPFG's acceptance. TPFG is not always able to household accounts. Some Client accounts are being managed by TPFG at a reduced charge or at no charge. All Client fees may be amended from time to time by TPFG with written notice.

Item 6. Performance-Based Fees & Side-By-Side Management

It is the policy of TPFG that it will not charge performance-based fees.

Item 7. Types of Clients

TPFG provides advisory services to individuals, including retirement plan participants and owners of individual retirement accounts, as well as pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

TPFG requires the following minimum dollar value of assets for starting an account:

Program	**Account Minimum**
Strategy Plus & SDBA Program	No minimum[2]
Separately Managed Accounts	$100,000 minimum (Schwab, and Fidelity) $50,000 minimum (TD Ameritrade)
EPIC and MMS Programs	$50,000 minimum
Core Retirement Optimization	No minimum
Variable Annuity Optimization	$50,000 minimum

For the Epic and MMS Programs, in the event that the balance of a Client's account falls below the minimum account size due to withdrawals or inadequate capitalization by the Client, TPFG reserves the right, in its sole discretion, to remove the Client from that Program's Investment Product any time the balance of the account is below the minimum. Further, for Clients using a Unified Managed Account, the minimum initial account size for each Investment Product held within that account will apply.

TPFG can waive the minimum amount requirements at their sole discretion unless otherwise prohibited.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

TPFG uses the following methods of analysis and investment strategies to determine which securities to buy, sell or hold:

1. <u>Rational Analysis™.</u>

We blend Fundamental, Technical and Quantitative Analysis into a blended proprietary approach we describe as Rational Analysis™.

<u>Fundamental analysis</u>. 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 (indication it may be a good time to buy) or overpriced (indicating it may be time to

[2] TPFG does not establish account minimums though some plan sponsors/administrators will.

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.

This style of 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.

Our technical analysis also includes the following:

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

Quantitative analysis: We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a company's share price or earnings per share and predict changes to that data.
A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

2. RiskPro®

TPFG uses RiskPro® software, an on-line tool developed by TPFG's affiliate, ProTools, Inc. to manage a portfolio's level of investment risk. RiskPro provides an estimate of the maximum range of gain or loss of a portfolio of securities over a forward-looking rolling twelve-month period. The higher the estimate, the greater the level of volatility that a portfolio may experience over a twelve-month period. RiskPro's algorithms consider, among other factors, the volatility of the portfolio over the prior twelve months; a comparison of the portfolio's volatility over the prior twelve-month period, to the volatility of the S&P 500 Index; and the long-term volatility of the S&P 500 Index.

IMPORTANT: The projections or other information generated by RiskPro are hypothetical in nature, do not reflect actual investment results and are not a guarantee of future results. RiskPro does not consider (i) fees and expenses, such as advisory, custodial and other expenses; (ii) the impact of active management; or (iii) the potential impact of extreme market conditions. As a result, actual results may differ significantly. RiskPro does not provide investment advice or recommendations to purchase specific securities or specific portfolios.

3. Investing Involves Risk

TPFG's goal is to recommend or construct portfolios for Clients that will enable Client assets to grow over time. Investments in securities, however, involves risk and Clients may lose money on their investments to include the total loss of principal. There is no guarantee that any investment strategy will be successful. TPFG cannot provide any assurance that any investment in securities will provide positive returns over any period of time.

TPFG's analysis of securities relies on the assumption that the securities it purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

4. Underlying Fund Concentration Risk

The Strategy Plus Program and SDBA programs consists of models made up of the PFG Funds. For several of the PFG Funds, at least 80% of the Fund's net assets are advised by a single asset manager which concentrates the decision and asset management decisions to a single entity which can potentially increase the investment risk of the Fund.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

1. Registered Representatives of Unaffiliated Broker-Dealers

Nicholas Scalzo is a registered representative of Capital Investment Group, Inc. (CRD# 14752) ("CIG"), a non-affiliated broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA"). Mr. Scalzo may receive compensation, commissions and/or trailing 12b-1 fees from CIG for services provided to CIG's brokerage clients. However, Mr. Scalzo does not receive any compensation, commissions or other fees relating to services provided to TPFG's Clients through CIG.

2. Pacific Financial Group, LLC ("PFG")

PFG is an SEC registered investment adviser that is under common control with TPFG, as both companies are wholly-owned by Pacific Holdings Group, LLC. PFG serves as the investment adviser to the PFG Funds and receives advisory fees for managing the Funds. TPFG uses the PFG Funds as building blocks for Portfolios in TPFG's Strategy Plus Program. As a result, TPFG Clients are shareholders of the PFG Funds, as well as advisory clients of TPFG. The receipt of investment advisory fees by PFG from the PFG Funds, and the receipt by TPFG of Administrative Servicing fees paid by the PFG Funds, create a conflict of interest as TPFG has an incentive to use the PFG Funds when creating model allocations.

To mitigate these conflicts, Clients that participate in the Strategy Plus or SDBA Programs are not charged any additional advisory fees by TPFG for providing advisory services. All advisory and other fees paid to TPFG are fully disclosed in the Client's Investment Management Agreement, the SIS, the PFG Funds' Prospectus, and TPFG's ADV Part 2A (this brochure), allowing Client's to make fully informed decisions. For additional information about these fees, the resulting conflict of interest and mitigation of the conflict, see ***Item 5, Fees and Compensation*.**

3. <u>The EPIC and MMS Programs</u>

In many instances, TPFG receives payments from Strategists or from Investment Products, in connection with making the Strategists or product available on the Platform. These payments create a conflict of interest as the amounts received by TPFG provide an incentive for TPFG to make available those Strategists and Products based on the fees received, rather than on the Client's needs. To mitigate these conflicts of interest, TPFG uses these payments to reduce the Platform Fee paid by the Client so that the Client does not pay more as a result of the payments made. For additional information about these fees, the resulting conflict of interest and mitigation of the conflict, see ***Item 5, Fees and Compensation*.**

4. <u>RiskPro® and ProTools, Inc.</u>

ProTools, Inc. ("ProTools") is a technology company that is under common control with TPFG, as both companies are wholly owned by Pacific Holdings Group, LLC. ProTools is the developer of RiskPro®, a software platform that is used to analyze the risk of a portfolio of securities and to assist in the creation of investment proposals which can include one or more strategist or investment products that pay to be featured on the platform. The payment creates a conflict of interest as RiskPro has an incentive to make available those products that pay over those that do not. These conflicts are mitigated in that TPFG will reduce the platform fee charged by the amount TPFG is paid by so that no Client is paying more as a result of the payment

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

1. <u>Code of Ethics</u>

TPFG adopted a Code of Ethics that is designed to ensure that all TPFG employees:(i) conduct themselves with integrity at all times; (ii) place the interests of Clients ahead of the interests of TPFG or their own personal interest; (iii) act in accordance with their fiduciary duty owed to each Client, including their duty of loyalty, fairness and good faith towards each Client; and (iv) disclose to Clients any material conflicts of interest. The Code of Ethics was developed to provide general ethical guidelines, as well as specific instructions to employees. It is the obligation of employees to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code.

The Code of Ethics covers a range of topics that include: general ethical principles; reporting personal securities trading; initial public offerings and private placements; gifts and entertainment given by, or provided to, TPFG and/or employees; outside employment activities; reporting ethical violations; review, enforcement and supervisory procedures; sanctions for violations of the Code; and records retention requirements for various aspects of the Code. To obtain a copy of TPFG's Code of Ethics, please contact TPFG's Compliance Department by telephone at (800) 735-7199 or by email at Compliance@TPFG.com.

On an annual basis, employees are required to acknowledge, in writing, that they are familiar with the requirements set forth in the Code and that they acted in accordance with those requirements.

2. Personal Trading

Personal trading by employees is monitored by TPFG's Compliance Department to ensure that all personal trading is consistent with SEC Regulations and the Code. Duplicate statements and/or trade confirmations are received and maintained by the Compliance Department. In addition, employees complete a quarterly Personal Trading report. Through this process, conflicts between employees and the investment management provided to Clients can be identified and resolved. Under Section 204A of the Investment Advisers Act of 1940, employees are not required to report transactions in open-end mutual funds or open-end ETFs, other than underlying funds of the PFG Funds.

Subject to reporting requirements and any conflicts of interest that may be identified by TPFG's Compliance Department, employees are permitted to transact in the same securities as TPFG Clients or the underlying funds of the PFG Funds; provided, however, that employees may not knowingly purchase or sell a security to the disadvantage of a Client.

Item 12. Brokerage Practices

1. Client selects brokerage Services

For TPFG Investment Programs, the Client select's the firm that will provide brokerage and custodial services to the Client. For the SDBA, CRO and VAO accounts, brokerage services are provided by the particular retirement plan or annuity company. Under these circumstances, the brokerage services provided, and any fees charged to the Client, is determined by the sponsor.

For all other Programs, the Client selects the custodian and brokerage services to be provided to include the execution of trades, record keeping and custodial services, for a fee agreed upon by the Client. These fees can be asset based (assessed against the total assets in the account) or transaction based (charged per transaction in the account). TPFG does not participate in the selection of the brokerage services to be provided, nor does it share in any of the fees assessed for brokerage services. All costs associated with brokerage services are separate and distinct from any fees assessed or charged by any of the services provided through TPFG.

TPFG is not able to provide its services through all brokerage platforms as such, Clients may not be able to receive the most favorable cost when TPFG executes transactions in Client accounts. This can cause the Client to pay more for brokerage services.

2. TPFG will aggregate trades when possible

TPFG will aggregate or "block" trades of securities that are taking place at the same time and through the same clearing firm for the same security. When aggregating trades, clients will receive the average prices of all trades executed through the custodian so that no Client will be favored over any other Client.

3. **Other benefits provided by brokerage firms.**

TPFG does receive from several brokerage firms, without cost, support services and/or products that support TPFG in servicing clients whose accounts are serviced by the brokerage firm. Support Services are provided by Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), Fidelity Institutional Services ("Fidelity"), TD Ameritrade Institutional ("TD Ameritrade") and Pershing Advisor Solutions ("Pershing"). The Support Services received by TPFG include, among other items, software and other technology that:

- Provide access to Client account data (such as trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
- Provide research, pricing and other market data;
- Facilitate payment of TPFG's fees from Clients' accounts; and
- Assist with back-office functions, and reporting for Clients.

4. **Best Execution**

In executing trades on behalf of its Clients, TPFG seeks to fulfill its duty of best execution by executing trades in such a manner that the total cost in each transaction is most favorable under the circumstances. TPFG reviews at least quarterly the quality of execution Clients receive and compares the quality of execution across brokerage firms servicing Client accounts as well as against the markets generally.

5. **Payment for brokerage transactions "Soft Dollars"**

Some brokerage firms will provide payments to firms that direct securities transactions to the brokerage firm ("Soft Dollars"). TPFG does not receive soft dollar payments from Client brokerage transactions. However, when advising the PFG Funds, PFG as adviser to the PFG Funds directs all of the PFG Fund trades to a single broker-dealer, Ceros Financial Services, Inc. ("Ceros") and PFG receives Soft Dollars. Since TPFG benefits from PFG's use of soft dollars, TPFG participates in PFG's periodic soft-dollar reviews, analyzing commissions and services provided by Ceros and comparing them to commissions and services that might be available by other broker-dealers.

Soft Dollars are used to pay for research and other account management services in accordance section 28(e) of the Investment Company Act and are designed to augment the cost of internal research. Soft dollar benefits include research and products provided by third parties and paid for by commissions generated from the PFG Funds. The services provided will benefit other accounts and clients not invested in the PFG Funds. TPFG monitors the receipt and usage of Soft Dollars to ensure the credit and expenditures are equitably used across the business.

The receipt of Soft Dollars provides a benefit to TPFG to the extent that TPFG does not have to produce such products internally or compensate third-parties from its own resources. Services paid with Soft Dollars includes without limitation:

- Earnings information and estimates
- Stock quote systems
- Trading systems
- Data feeds from stock exchanges
- Software programs for analysis and research
- Market data
- Seminars or conferences relating to issuers, industries or securities
- Trade magazines and technical journals
- Proxy services
- Quantitative analytical software
- Pre-trade and post-trade analytics

Item 13. Review of Accounts

1. Investment Programs

TPFG offers Investment Programs that include a variety of different Model Portfolios ("Models") which are managed to different ranges of risk, investment discipline, and subject to Client restrictions or special instructions. TPFG continuously reviews the Models to ensure they adhere to the Model's stated investment policy. TPFG uses RiskPro to manage risk and will further monitor Model allocations using its proprietary Rational Analysis™. see ***Item 8, Methods of Analysis, Investment Strategies and Risk of Loss***

For the Strategy Plus Program, TPFG develops and manages Models consisting of the PFG Funds. The adviser to the PFG Funds continually monitors the funds for adherence to the investment discipline as stated in the particular fund's prospectus. In turn, TPFG continually monitors the Models. The Separately Managed Account Models are also continually monitored by TPFG. For the EPIC and MMS Programs, TPFG continually monitors the Strategists and Investment Products. TPFG will make changes in its sole discretion to a Strategists or Investment Products (such as a decision to add a new Strategist or eliminate an existing Strategist) and will also implement any rebalancing in accordance with the mandates of the Strategist or Investment Product. However, under certain situations a plan may not grant trading authorization to manager the Account.

For Core Retirement Optimization and Variable Annuity Optimization Models, TPFG continually monitors the Portfolios in each Investment Program and rebalances or changes the Portfolios as mandated by the Portfolio's investment policy.

2. Client Accounts

TPFG's review of Client accounts is limited to ensuring that Client holdings are consistent with the Client's Risk Profile and any special instructions provided by the Client.

The Client's Adviser is responsible to monitor the Client's financial circumstances, investment objectives and risk tolerance, and report any changes to TPFG. The Adviser also reviews the investment products in each Client's account, to ensure that the products are, and remain, consistent with the Client's investment circumstances. In this regard, though TPFG monitors the construction of the Models and Programs it makes available, the Client's Adviser is ultimately responsible for ensuring that any recommended Programs and allocations remain appropriate based on the Adviser's knowledge of the Client's investment needs and objectives to include without limitation, the Client's appetite for risk and investment timeline.

To support the Adviser's review of Client accounts, TPFG provides quarterly statements in addition to the statements provided by the Account custodian. The TPFG reports identify all transactions, holdings, values and account performance in addition to asset classes, benchmarks and fees charged. The TPFG reports are provided as a courtesy and should not be used to substitute the statements provided by the account custodian. Any discrepancies between the TPFG Report and custodial statement should be directed to the custodian and/or TPFG.

Item 14. Client Referrals and Other Compensation

TPFG works with independent and unaffiliated registered investment advisers whose Investment Adviser Representatives ("IAR" or "Adviser") refer Clients to TPFG. TPFG will compensate the Adviser for the referral. At the time the Client enters into an Investment Management Agreement, Clients are provided a Separate Fee Disclosure in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940, which sets forth the amounts and sources of fees paid to include the amount paid to the Adviser.

TPFG also receives fees from one or more strategists or investment products offered through the various TPFG Programs. This additional compensation creates a conflict of interest in that TPFG has an incentive to select those strategist and products that pay additional compensation over those that do not. To mitigate these conflicts, TPFG will reduce the amount of fees paid by the Client by the amount received by the Strategist or product. For additional information about compensation received in connection with each of TPFG's Programs, see ***Item 5, Fees and Compensation*** .

Item 15. Custody

As a matter of policy and practice, TPFG does not accept or maintain custody of Client Assets and will not accept, and will at all times endeavor to avoid holding, whether directly or indirectly, Client Assets, or have any authority to obtain possession or control over Client Assets. Notwithstanding the foregoing, TPFG will be deemed to have custody as a result of clients granting TPFG the authority to debit advisory fees and to facilitate the distribution and/or transfer of client funds as provided for in the relevant limited power of attorney.

1. <u>Debiting of Fees</u>

When authorized by the Client to debit advisory fees from Client accounts, TPFG is deemed to have custody of Client assets to the extent that TPFG is authorized to instruct Custodians to deduct the fees.

2. Distributions and Standing Letters of Authorization (SLoA)

When the TPFG is granted the authority to effect transactions other than trading within an account, even when authorized by the Client, TPFG will be deemed to have custody in that the authorization permits TPFG to withdraw funds from the Account. When facilitating transfers or distributions, TPFG requires the client to complete and sign the qualified custodian's Standing Letter of Authorization ("SLoA") which will identify the timing of distributions/transfers, the recipient, the account from which funds are to be transferred, and the account/address for which the funds will be directed. The client can terminate the SLoA at any time.

3. Clients should review qualified custodian statements

The qualified custodian for each Client's account holds the Client's securities and funds. On at least a quarterly basis or for any month for which there is a transaction in the Account, the qualified custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. The statement will show any fees deducted from the account and any transfers in or out of the account. It is important for Clients to review carefully their custodial statements to verify the accuracy of the information included in those statements. Clients should contact TPFG or the account custodian directly if they believe there may be an error in their statement or that an unauthorized transaction occurred.

In addition to reports provided by the qualified custodian, TPFG sends Clients a quarterly statement that includes an account summary, identifying transactions, holdings and values, along with the fees assessed for the applicable period. In order to ensure that all account transactions, holdings and values are correct and current, TPFG urges Clients to compare TPFG's statements with the statement sent by the qualified custodian.

Item 16. Investment Discretion

1. Discretionary Accounts

When selecting TPFG to manage the Client's accounts, the Client enters into a discretionary Investment Management Agreement and Statement of Investment Selection which authorizes TPFG to execute trades and engage in other activities for the benefit of the Account in accordance with the Program selected without first consulting the Client. The discretion granted is limited in that TPFG is only authorized to execute transactions in support of the Investment Program selected. Accordingly, TPFG is only able to effect trades to buy or sell securities within the stated discipline of a Model or Strategist, or to add or remove a Strategist provided that such change does not materially alter the stated discipline selected by the Client.

The Client may also grant a Limited Power of Attorney ("LPOA") to the Client's Adviser. Under the LPOA, the Client grants to the Adviser the authority to direct TPFG to take action for the account without first consulting the Client. See ***Item 4 Advisory Business***, "Limited Power of Attorney". In addition, under the EPIC or MMS Programs, the Client may grant to the Adviser the ability to construct customized models ("Practice Level Models") and the Client grants to the Adviser the discretionary authority to manage, trade and modify the Practice Level Model without first consulting with the Client.

Any discretion granted by the Client may be revoked by the Client at any time. If discretion is revoked, TPFG may not be able to provide its Programs or services to the Client.

2. Non-Discretionary Accounts

Under limited circumstances, a Self-Directed Brokerage Account - Strategy Plus, variable annuity company, or other product sponsor, will not allow third parties such as TPFG to transact in the account on behalf of the Client ("Non-Discretionary Accounts") which limits the services TPFG can provide under the Investment Management Agreement. For Non-Discretionary accounts, TPFG will only provide to the Client, or the Client's Adviser, a recommended Model allocation or periodic changes to the selected Model. The Client is then responsible for executing the trades through the custodian, program sponsor, or plan administrator and for ensuring the allocation changes are properly implemented. Because TPFG is not able to be assigned to the account, TPFG is not able to see any other transactional activity such as accumulated cash resulting from contributions to the account. It is the Adviser's responsibility to assist the client in reviewing the account so as to ensure the model allocation as provided by TPFG is implemented. The limited services provided to Non-Discretionary accounts are more fully described in the appropriate program's Statement of Investment Selection which is incorporated into the IMA by reference.

Item 17. Voting Client Securities

TPFG does not have the authority to vote Client securities (proxies) on behalf of the Client. As such, TPFG has no obligation to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a Client's account. Each Client will have the obligation to vote proxies in their own account. Clients should consult with their Adviser as to appropriate action to take with respect to any proxy materials received. In the event TPFG changes its practice, TPFG will revise its policy to ensure its proxy voting practices comport with applicable regulations and that such voting is in the client's best interest.

Item 18. Financial Information

Under no circumstances do we require or solicit payment of fees in excess of $1,200 per account and more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

ADV 2B Brochure Supplements

Part 2B of Form ADV: *Brochure Supplement*

Jennifer L. Enstad, CFA®

The Pacific Financial Group, Inc.
777 108th Avenue Northeast, Suite 2100
Bellevue, Washington 98004
800.735.7199 Or 425.451.7722

May 1, 2020

This brochure supplement provides information about Jennifer L. Enstad that supplements The Pacific Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact the TPFG Compliance Department at 800.735.7199 or Compliance@TPFG.com **if you did not receive The Pacific Financial Group, Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Jennifer L. Enstad is available of the SEC's website at www.adviserinfo.sec.gov.**

Item 2. Educational Background and Business Experience

- Jennifer L. Enstad, CFA®, Chief Investment Officer
- Born: 1970

Education:

- University of Washington, Seattle, WA
- BA Business with a concentration in Finance (2002)

Business Background:

- The Pacific Financial Group, Inc., Bellevue, WA, Chief Investment Officer, January, 2018 - Present
- The Pacific Financial Group, Inc., Bellevue, WA, Senior Portfolio Manager, January, 2017 – January, 2018
- The Pacific Financial Group, Inc., Bellevue, WA, Portfolio Manager, March, 2006 – January, 2017
- The Pacific Financial Group, Inc., Bellevue, WA, Assistant Portfolio Manager, 2004 – March, 2006
- The Pacific Financial Group, Inc., Bellevue, WA, Analyst, 2002 – 2004
- The Pacific Financial Group, Inc., Bellevue, WA Head Trader, 1995 – 2002
- The Pacific Financial Group, Inc., Bellevue, WA, Administrative Assistant, 1990 – 1995

Current Securities Examinations and Licenses:

- Series 65 - Investment Adviser Representative

Certifications:

- Chartered Financial Analyst (CFA®) (2010) - The CFA program is a self-study graduate program consisting of three exam levels and takes on average four years to complete (on average 300 hours preparing for each level). Candidates must also have 48 months of qualified work experience of which at least 50% must be directly involved in investment decision making or producing a product that impacts the investment decision making process.

Item 3. Disciplinary Information

- Ms. Enstad does not have any history of disciplinary events.

Item 4. Other Business Activities

- Ms. Enstad is a member of the Pacific Financial Group portfolio management team, an affiliate of TPFG and does not engage in any other investment-related business or occupation not affiliated with TPFG.

Item 5. Additional Compensation

- Ms. Enstad does not receive any additional compensation from third parties for providing investment advice to the firm's clients and does not compensate anyone for client referrals.

Item 6. Supervision

- Ms. Enstad is responsible for overseeing the portfolio management activities of the firm and is supervised by Jason Luhan, Chief Compliance Officer. The CCO is responsible for implementing the Firm's policies and procedures to include the policies and procedures governing the Portfolio Management group. Supervision is conducted through periodic reviews of the Portfolio Management Group's work product. The CCO can be reached at 866-583-8734 or by email at jluhan@tpfg.com.

Part 2B of Form ADV: *Brochure Supplement*

Eric J. Neufeld, CFA®

The Pacific Financial Group, Inc.
777 108th Avenue Northeast, Suite 2100
Bellevue, Washington 98004
800.735.7199 Or 425.451.7722

May 1, 2020

This brochure supplement provides information about Eric Neufeld that supplements The Pacific Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact the TPFG Compliance Department at 800.735.7199 or Compliance@TPFG.com **if you did not receive The Pacific Financial Group, Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Neufeld is available of the SEC's website at www.adviserinfo.sec.gov.**

Item 2. - Educational Background and Business Experience

- Eric J. Neufeld, CFA® Portfolio Manager
- Born: 1972

Education:

- James Madison University, Harrisonburg, VA
- Bachelor of Business Administration – Finance (1994)
- Suffolk University, Boston, MA
- Master of Business Administration – Finance (2008)

Business Background:

- The Pacific Financial Group, Inc., Bellevue, WA, Portfolio Manager, 2016 – Present
- The Pacific Financial Group, Inc., Bellevue, WA, Assistant Portfolio Manager, 2015 – 2016
- The Pacific Financial Group, Inc., Bellevue, WA, Investment Analyst, 2013 – 2015
- Fidelity Investment, Westlake, TX, Relationship Manager, 1998 - 2001
- Fidelity Investment, Westlake, TX, Project Manager, 1995-1998
- First Data Corporation, Atlanta, GA, Project Manager, 1995-1998
- SunAmerica Financial Group, New York, NY, 1995

Current Securities Examinations and Licenses:

- Series 65 - Investment Adviser Representative

Certifications:

- Chartered Financial Analyst (CFA®) (2013) - The CFA program is a self-study graduate program consisting of three exam levels and takes on average four years to complete (on average 300 hours preparing for each level). Candidates must also have 48 months of qualified work experience of which at least 50% must be directly involved in investment decision making or producing a product that impacts the investment decision making process.

Item 3. - Disciplinary Information

- Mr. Neufeld does not have any history of disciplinary events.

Item 4. - Other Business Activities

- Mr. Neufeld is a member of the Pacific Financial Group portfolio management team, an affiliate of TPFG and does not engage in any other investment-related business or occupation not affiliated with TPFG.

Item 5. - Additional Compensation

- Mr. Neufeld does not receive any additional compensation from third parties for providing investment advice to the firm's clients and does not compensate anyone for client referrals.

Item 6. - Supervision

- Mr. Neufeld is part of the Portfolio Management group and is supervised by Jason Luhan, Chief Compliance Officer. The CCO is responsible for implementing the Firm's policies and procedures to include the policies and procedures governing the Portfolio Management group. Supervision is conducted through periodic reviews of the Portfolio Management Group's work product to include trade instructions and strategy changes. The CCO can be reached at 866-583-8734 or by email at jluhan@tpfg.com.

Part 2B of Form ADV: ***Brochure Supplement***

Erwin Ma

The Pacific Financial Group, Inc.
777 108th Avenue Northeast, Suite 2100
Bellevue, Washington 98004
800.735.7199 Or 425.451.7722

May 1, 2020

This brochure supplement provides information about Erwin Ma that supplements The Pacific Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact the TPFG Compliance Department at 800.735.7199 or Compliance@TPFG.com **if you did not receive The Pacific Financial Group, Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Ma is available of the SEC's website at www.adviserinfo.sec.gov.**

Item 2. - Educational Background and Business Experience

- Erwin Ma, Financial Analyst
- Born: 05/28/1981

Education:

- Indiana University; Bloomington, IN; Master of Science, Finance, 2013
- University of Washington; Seattle, WA; Bachelor of Science, Economics, 2003

Business Background:

- The Pacific Financial Group, Inc., Bellevue, WA, Financial Analyst, January 2017 - Present
- Morgan Stanley Wealth Management; Seattle, WA; Consulting Group Analyst; June 2013 – December 2016
- Ameriprise Financial; Seattle, WA; Paraplanner; August 2002 – May 2013

Current Securities Examinations and Licenses:

- Series 65 - Investment Adviser Representative

Certifications:

- Certified Investment Management Analyst (CIMA) – Investments Wealth Institute (fmr. IMCA) – Is a designation offered by the Investments and Wealth Institutes. Candidates must have three years of financial services experience, a satisfactory record of ethical conducts (as determined by the admissions committee) must successfully complete up to four days of classes and successfully pass the certification exam which is consists of 140 questions over five hours.
- Chartered Financial Analyst (CFA®) Level II Candidate - The CFA program is a self-study graduate program consisting of three exam levels and takes on average four years to complete (on average 300 hours preparing for each level). Candidates must also have 48 months of qualified work experience of which at least 50% must be directly involved in investment decision making or producing a product that impacts the investment decision making process.

Item 3. - Disciplinary Information

- Mr. Ma does not have any history of disciplinary events.

Item 4. - Other Business Activities

- Mr. Ma a member of the Pacific Financial Group portfolio management team, an affiliate of TPFG and does not engage in any other investment-related business or occupation not affiliated with TPFG.

Item 5. - Additional Compensation

- Mr. Ma does not receive any additional compensation from third parties for providing investment advice to the firm's clients and does not compensate anyone for client referrals.

Item 6. - Supervision

- Mr. Ma is part of the Portfolio Management team is supervised by Jason Luhan, Chief Compliance Officer. The CCO is responsible for implementing the Firm's policies and procedures to include the policies and procedures governing the Portfolio Management group. Supervision is conducted through periodic reviews of the Portfolio Management Group's work product to include trade instructions and strategy changes. The CCO can be reached at 866-583-8734 or by email at jluhan@tpfg.com.