Part 2A of Form ADV: Firm Brochure

The Pacific Financial Group

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This Disclosure Brochure provides information about the qualifications and business practices of The Pacific Financial Group ("TPFG"). If you have any questions about the contents of this Brochure, please contact Jason Luhan, Chief Compliance Officer, at 800 735-7199 or tpfg@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 our 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 October 1, 2018.

Material Changes

- Prior Brochure noted that TPFG would vote proxies on behalf of the clients. This brochure corrects that statement to note that TPFG does NOT vote proxies for assets held by clients.

Non-Material Changes

As of March 29, 2019, TPFG's total amount of discretionary assets under management was $2,540,649,043 and TPFG's total amount of non-discretionary assets under management was $23,954,982.

In addition, portions of the Disclosure Brochure were reorganized and simplified, for the convenience of the reader.

Item 3. Table of Contents

Item 4. Advisory Business

TPFG is a Washington State based investment adviser registered with the Securities and Exchange Commission ("SEC"). TPFG was founded in 1984 and our 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"), a technology company that created 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 25% 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 Managed Strategists Program; (2) Separately Managed Accounts; (3) the Enhanced Portfolio Investment Centre; (4) Core Retirement Optimization; and (5) Variable Annuity Optimization. We work strategically with financial professionals, such as investment adviser representatives affiliated with investment advisers or registered representatives affiliated with broker-dealers (collectively, "Financial Intermediaries"), who refer clients to us.

1. <u>Role of Financial Intermediaries</u>

In most all instances, our clients ("Clients") are referred to us by Financial Intermediaries. The Financial Intermediary may be serving as a Solicitor or as a Co-Advisor. In either instance, the Financial Intermediary serves as the primary relationship contact with the Client and, in general, provides the following types of services:

- <u>Client Risk Profile</u>. The Financial Intermediary assists the Client in determining the Client's initial and ongoing Risk Profile. For further information about Risk Profiles, please see the discussion that follows.
- <u>Client On-Boarding</u>. The Financial Intermediary facilitates the on-boarding process for the Client, including supporting the Client in completing the new account opening paperwork, the Investment Management Agreement between the Client and TPFG, obtaining complete Risk Profile information from the Client and obtaining such other information as may be required.

- Client Relationship. The Financial Intermediary assists with receiving, ascertaining, forwarding and communicating any instructions between the Client and TPFG and promptly providing copies of all required documentation to TPFG.
- Investment Product Selection and Changes. The Financial Intermediary educates the Client about TPFG's Investment Programs and available investment products that are consistent with the Client's Risk Profile. In some instances, the Financial Intermediary may recommend Investment Programs or investment products for the Client to consider. In addition, based on the Client's instructions, the Financial Intermediary facilitates changes in a Client's account by providing to TPFG the required communications and documentation.
- Ongoing Monitoring. The Financial Intermediary maintains ongoing contact with the Client for the purpose of (i) obtaining updated information about each Client's Risk Profile and (ii) reviewing whether the investment products in each Client's account are, and remain, consistent with the Client's investment circumstances.

2. Client Risk Profiles

To assist Clients in determining their Risk Profile, the Financial Intermediary meets with each Client to discuss the Client's financial situation, investment objectives, risk tolerance and other relevant characteristics. In addition, in most instances, the Client completes a Risk Profile Questionnaire ("RPQ") prepared by ProTools, an affiliate of TPFG and the developer of RiskPro®, an on-line software tool used for a variety of purposes, including risk profiling and portfolio risk analysis.

Based on the Client's responses to the RPQ, RiskPro® calculates the Client's Risk Profile, which includes a forward-looking, probabilistic range of returns, over a twelve-month period of time. The estimated maximum amount of annual loss (or gain) is expressed as a percentage of the Client's total portfolio. By executing the Client Profile and the Investment Management Agreement between the Client and TPFG, the Client confirms the Risk Profile and the estimated range of annual tolerance.

The Investment Management Agreement provides TPFG with discretionary authority (other than in limited instances) to select investment products for the Client, without first providing notice to the Client, provided that the investment products are consistent with the Client's Risk Profile.

3. TPFG's Investment Programs

A. Managed Strategists Program

The Managed Strategists Program consists of a number of Portfolios developed and managed by TPFG that are made up solely of the RiskPro® Funds, a new group of mutual funds managed by TPFG's affiliate, Pacific Financial Group, LLC ("PFG"). Each of the RiskPro® Funds is a fund of funds. In managing the level of investment risk of each of the RiskPro® Funds, PFG uses

RiskPro®, the software technology developed by ProTools, an affiliate of TPFG and PFG. In addition, PFG uses a proprietary investment analysis called "Rational Analysis™" in managing the Funds. For a description of RiskPro® and PFG's proprietary "Rational Analysis™," see ***Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.***

For several of the RiskPro® Funds, PFG uses research services provided by an independent asset manager. This approach results in some of the RiskPro® Funds investing at least 80% of the Fund's net assets in mutual funds advised by a single asset manager, increasing the investment risk of that Fund.

Using the RiskPro® Funds as building blocks, TPFG develops and manages a variety of Portfolios, with each Portfolio designed to correspond to a range of investment risk, as measured by RiskPro®. Consequently, in the Managed Strategists Program, TPFG's Clients are also shareholders of the RiskPro® Funds. TPFG ensures that the Client invests in a Managed Portfolio that is consistent with the Client's Risk Profile.

Initially, TPFG developed five Managed Portfolios with different levels of investment risk, with each Portfolio consisting of a number of the RiskPro® Funds;

- Managed Conservative
- Managed Moderate Conservative
- Managed Moderate
- Managed Moderate Aggressive
- Managed Aggressive

More recently, TPFG opened for investment five "Focused" Managed Portfolios, with different levels of investment risk, with each "Focused" Portfolio consisting of a smaller number of RiskPro® Funds; and ten "Featured" Managed Portfolios, with varying levels of investment risk, with each "Featured" Portfolio highlighting the investment management skills of a particular asset manager. For each of the Managed Portfolios, the allocations across the RiskPro® Funds will vary, based on TPFG's investment judgment and the desired level of investment risk. Further, in some circumstances, the Financial Intermediary is permitted to construct customized Portfolios for Clients, consisting of one or more RiskPro® Funds ("Customized Portfolios"), provided that the Customized Portfolio is consistent with the Client's Risk Profile.

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

While the Managed Strategists Program is available to all investors, it is frequently used by Clients in connection with retirement accounts under the Employee Retirement Investment Security Act of 1974 ("ERISA") or under Section 401(a) of the Internal Revenue Code of 1986 ("Code"). The participant in the retirement account opens a Self-Directed Brokerage Account ("SDBA") or a

Self-Directed Brokerage Option ("SDO") and enters into a discretionary Investment Management Agreement with TPFG to manage the Client's retirement account. Owners of individual retirement accounts under Section 408 of the Code also participate in the Managed Strategists Program.

For all such retirement accounts, TPFG serves as a "fiduciary" under Section 3(21) of ERISA and Section 4974(e)(3) of the Code. TPFG is not the "Service Provider" under Section 408(b)(2) of ERISA, as that role is the responsibility of the provider of the SDBA or SDO account.

B. Separately Managed Accounts

TPFG offers five Separately Managed Accounts ('SMAs"). Financial Intermediaries frequently refer Clients to TPFG's SMAs 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***.

TPFG offers three SMAs that are designed for different risk levels.

- Equity
- Balanced
- Income – Cash Yield

In addition, TPFG offers two SMAs with different risk levels that are designed to minimize the impact of income taxes. The Tax Managed SMAs tend to be more customized for each Client.

- Equity Tax Managed
- Balanced Tax Managed

Each SMA invests principally in mutual funds and exchange traded funds ("ETFs"), with the Tax Managed SMAs investing primarily in ETFs. The SMAs do not invest in the RiskPro® Funds, each of which (as noted above) is a fund of funds. TPFG ensures that each Client invests in an SMA that is consistent with the Client's Risk Profile.

C. The Enhanced Portfolio Investment Centre

TPFG offers a multi-strategy program, entitled the Enhanced Portfolio and Investment Centre ("EPIC Program"), which provides Clients with access to a number of institutional money managers ("Program Strategists"). Under the EPIC Program, TPFG provides a variety of services to Clients, including (i) discretionary investment management services ("Management Services"); (ii) access to the purchase and sale of model portfolios, mutual funds, ETFs and separately managed accounts (collectively, "Program Investment Products"); (iii) securities trading; and (iv) back-office services, account maintenance, recordkeeping and other non-investment management services The full range of services provided by TPFG in the EPIC Program (collectively, "Program Services") is set forth in an Investment Management Agreement executed by TPFG and the Client.

In the Investment Management Agreement, TPFG is granted a limited power of attorney to act on behalf of the Client to engage in transactions ("Transactions") without prior notice to the Client, provided that the Transactions are consistent with the Client's Risk Profile. In addition, TPFG is authorized to select Program Strategists, which offer Clients the opportunity to invest in Investment Products that are typically designed to match a gradient of investment risk, as measured by RiskPro®. TPFG is also authorized by the Client to implement any rebalancing to Program Investment Products, as proposed by the Strategists.

TPFG is responsible for selecting the Program Strategists and the Investment Products that participate in the Epic Program. TPFG serves as one of the Program's Strategists. TPFG makes available, to Financial Intermediaries and Clients, information and research regarding the qualifications, investment philosophies, policies and performance of the Program Strategists and Investment Products. Through a Unified Managed Account, a variety of Program Investment Products may be held by a Client in a single account.

In most instances, TPFG's selection of Program Strategists and Investment Products for a Clients is based on a three- mandate investment strategy, known as Market Movement Solutions, which is described in ***Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.***

D. Core Retirement Optimization

TPFG offers managed Portfolios consisting of the mutual funds and/or asset classes offered by the sponsoring company of a retirement plan such as 401(k), 403(b), 401(a) or 457 plans. TPFG enters into a discretionary Investment Management Agreement with the participant and accepts full "fiduciary" responsibility for managing the participant's account. TPFG is not acting as a "Service Provider" under Section 408(b)(2) of ERISA, as we are providing management services to the participant and not to the retirement plan.

TPFG works with a variety of custodians for the retirement plans. Based on the plan's available investment options, we offer the following five types of Portfolios, though all of these Portfolios are not available through all plan custodians:

- Conservative
- Moderately Conservative
- Asset Allocation (formerly Moderate Portfolio)
- Strategic Equity (formerly Moderately Aggressive Portfolio)
- Global Retirement (formerly Aggressive Retirement Portfolio)

In each instance, TPFG ensures that the Client invests in a Portfolio that is consistent with the Client's Risk Profile. Unlike the Managed Strategists Program, the participant does not set up an SDBA or SDO. The RiskPro® Funds are not available in this Investment Program.

E. Variable Annuity Optimization

TPFG manages a Client's variable annuity sub-account and creates Portfolios consisting of different allocations of some or all of the available sub-accounts offered by the annuity sponsor. Each Portfolio created for a Client by TPFG is consistent with the Client's Risk Profile.

TPFG works with a number of different annuity sponsors and offers the following types of Portfolios, though not all Portfolios are available at all annuity sponsors:

- Moderately Conservative
- Asset Allocation (formerly Moderate Portfolio)
- Strategic Equity (formerly Moderately Aggressive Portfolio)
- Alternatives & Equity

4. Assets Under Management

As of March 29, 2019, TPFG's total amount of discretionary assets under management was $2,540,649,043 and TPFG's total amount of non-discretionary assets under management was $23,954,982.

Item 5. Fees and Compensation

1. Managed Strategists Program

Clients that invest in the Managed Strategists Program are investing in Portfolios that consist solely of the RiskPro® Funds, a group of mutual funds managed by TPFG's affiliate, PFG. As the investment adviser to the RiskPro® Funds, PFG receives advisory fees of up to 1.25% per year, paid by the RiskPro® Funds. In addition, in limited circumstances, where TPFG (as opposed to a Financial Intermediary) provides services to shareholders of the RiskPro® Funds, who are also TPFG clients in the Managed Strategists Program, TPFG receives shareholder services fees of up to 0.25% per year, paid by the RiskPro® Funds.

The limitation of available investment solutions for the Managed Strategists Program to the RiskPro® Funds, which are managed by TPFG's affiliate, PFG, and the receipt of investment advisory fees by PFG from the RiskPro® Funds, creates a conflict of interest for TPFG, as TPFG is provided with an incentive to select Investment Programs for Clients based on the fees received by TPFG's affiliate, rather than on the Client's needs. A conflict is also created by TPFG's receipt, in limited circumstances, of shareholder services fees paid by the RiskPro® Funds. To mitigate these conflicts, Clients that participate in the Managed Strategists Program are not charged any additional advisory fees by TPFG or by its affiliate, PFG, for providing advisory services to the Clients. In addition, all advisory and other fees paid to PFG or TPFG by the RiskPro® Funds are fully disclosed in the Client's Investment Management Agreement, the RiskPro® Funds' Prospectus and TPFG's ADV Part 2A, allowing Client's to make fully informed decisions.

Further, Financial Intermediaries receive annual fees of 0.75% for assets invested by Clients in the Managed Strategists Program. For Financial Intermediaries that are affiliated with a broker-dealer, and the broker-dealer agrees to accept Rule 12b-1 fees, the Financial Intermediary is paid as follows:

a. Annual fee of 0.25% paid by the RiskPro® Funds as a Rule 12b-1 fee.

b. Annual fee of 0.25% paid by the RiskPro® Funds as a shareholder services fee.
c. Annual fee of 0.25% paid by TPFG from its own resources.

For Financial Intermediaries that are affiliated with an investment adviser, the Financial Intermediary is paid as follows:

a. Annual fee of 0.25% paid by the RiskPro® Funds as a shareholder services fee.
b. Annual fee of 0.50% paid by TPFG from its own resources.

At the time that the Client and TPFG enter into an Investment Management Agreement, the amounts and the sources of all fees paid to the Financial Intermediary are fully disclosed in a Disclosure Statement executed by the Client and the Financial Intermediary, allowing Client's to make fully informed decisions. The amounts and sources of compensation to the Intermediary is also disclosed in TPFG's ADV Part 2A, which is provided to the Client.

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

For Separately Managed Accounts, Core Retirement Optimization and Variable Annuity Optimization, Clients pay an advisory fee to TPFG and a fee to the Financial Intermediary for the referral to TPFG and other services provided by the Intermediary. The fee schedule is as follows:

Assets Under Management	**Annual Fee To TPFG**	**Annual Fee to Intermediary**
$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 directly.

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. The Enhanced Portfolio Investment Centre

For the EPIC Program, the fees paid by the Client include an annual Program Fee, paid by the Client to TPFG for Program Services provided by TPFG, including TPFG's Management Services; and an annual fee paid by the Client to the Financial Intermediary, for the referral to TPFG and for other services provided by the Intermediary. The Program Fee is paid by the Client to TPFG and retained by TPFG. The Financial Intermediary's fee is collected from the Client by TPFG, and then paid by TPFG to the Intermediary.

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 directly.

In many instances, TPFG receives payments from Program Strategists or from Program Investment Products, for services provided by TPFG, in connection with making Strategists and their Investment Products available in the Program. These payments to TPFG create a conflict of interest, as the amounts received by TPFG provide an incentive for TPFG to select Program Strategists and/or Program Investment Products based on the fees received by TPFG, rather than on the Client's needs. To mitigate these conflicts of interest, TPFG uses these payments to reduce the Program Fee paid by the Client to TPFG.

The standard annual Program Fee paid by the Client to TPFG is 0.45% ("Standard Program Fee"). However, for Investment Products offered by a Program Strategist that makes payments to TPFG for services provided, the Standard Program Fee is reduced by the amount of annual payments received by TPFG, on account of a Client's assets invested with the Strategist ("Reduced Platform Fee"). By way of example, if the Strategist's payments received by TPFG in connection with an investment of a Client's assets with a Strategist is 0.20% per year, then the Reduced Platform Fee payable by the Client to TPFG, on those assets invested with the Strategist, shall be reduced from the Standard Platform Fee of 0.45% per year to the Reduced Platform Fee of 0.25% per year.

The annual fees paid by the Client to the Financial Intermediary vary and will not exceed 1.50%. The fees paid to the Financial Intermediary are set forth in the Disclosure of Compensation Schedule, which is executed by the Client and by the Financial Intermediary.

The fees paid by the Client in the EPIC Program may be amended by TPFG upon providing the Client with no less than thirty (30) days' written notice.
Some Program Strategists charge the Client a separate fee for managing a Program Investment Product. The annual fee charged by a Strategist: (i) will not exceed 1.0%; (ii) is billed in the same manner as TPFG's Program Fee, as described in this Section; and (iii) may be amended by the Program Strategist, upon providing the Client with no less than thirty days' written notice.

4. Additional Fee Information

Other than for the RiskPro® Funds and the Managed Strategists Program, all fees paid by Clients to TPFG and to Financial Intermediaries are separate and distinct from the fees and expenses charged by the underlying 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. 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.

Other than for the RiskPro® Funds and the Managed Strategists Program, a Client could invest directly in an Underlying Fund, without paying the fees charged by TPFG. In that case, the Client would not receive the services provided by TPFG 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 to each Client's financial condition and investment objectives. Accordingly, the Client should review both the fees charged by the Underlying Funds and the fees charged by TPFG to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the services being provided. The Client should also consider any fees paid to the Financial Intermediary and the services provided by the Intermediary.

For the RiskPro® Funds and the Managed Strategists Program, which consists of the RiskPro® Funds, while these products are not otherwise available to Clients, investment products with similar investment strategies that are less expensive than TPFG’s products are available. In addition, the RiskPro® Funds are “load” funds, as the Funds charge an annual Rule 12b-1 fee of 0.25% and an annual shareholder services fee of 0.25%. Investment products without sales loads and with similar investment strategies are available to Clients. The less expensive alternative investment products, however, would not provide Clients with the skills and management experience of TPFG in managing the Client’s account or the skills and experience of PFG in managing the RiskPro® Funds.

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***.

A Client may terminate the Management Agreement with TPFG (i) by notifying TPFG in writing at its principal place of business or (ii) by sending an email to, or telephoning, TPFG’s Client Services Department (at 800 735-7199 or teamcs@TPFG.com). In addition, a Financial Intermediary, acting at the direction of the Client, may terminate the Client’s Management Agreement with TPFG in the same manner. TPFG may terminate the Management Agreement by providing the Client with written notice. In addition, the Client has the right to terminate a Management Agreement 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 quarter.

In all instances 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. This format is called "family billing" and applies to Clients that are part of the same family. Family billing is not available to plan participants in the same retirement plan or variable annuity owners in the same annuity program, unless the participants or the annuity owners are part of the same family. Finally, 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:

Managed Strategist Program	No minimum
Separately Managed Accounts	$100,000 minimum (Schwab, Fidelity and Pershing) $50,000 minimum (TD Ameritrade)
EPIC Program	$25,000 minimum
Core Retirement Optimization	No minimum
Variable Annuity Optimization	$10,000 minimum

For the Epic Program, in the event that the balance of a Client's assets in a Program Investment Product 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's account from that Program Investment Product at any time the balance of the account is below the minimum. Further, for Clients using a Unified Managed Account in the EPIC Program, the minimum initial account size for each Investment Product held within that account shall still be applicable.

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

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

1. <u>TPFG as Investment Advisor</u>

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

A. Rational Analysis™.

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 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.

B. RiskPro®

TPFG also uses RiskPro® software, an on-line tool developed by TPFG's affiliate, ProTools, 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 RiskPro® 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. As a point of comparison, RiskPro® estimates the gain or loss on the S&P 500, over a twelve-month period, could exceed more than 37%, based on its historical volatility.

TPFG believes that Client's should consider investments that are designed to be aligned with their level of comfort with investment risk, which is referred to as the Client's Risk Profile. As previously described, TPFG uses RiskPro® to assist in determining a Client's Risk Profile. See ***Item 4, Advisory Business***. TPFG seeks to ensure that the volatility of an investment product, as determined by RiskPro®, is consistent with the Client's Risk Profile.

IMPORTANT: The projections or other information generated by RiskPro® regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results and are not a guarantee of future results. Further, 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.

C. **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. There is no guarantee that TPFG's investment strategy will be successful. Investments in all of TPFG's Investment Programs involve risk, including the loss of a Client's initial investment. TPFG cannot provide any assurance that any investment in securities will provide positive returns over any period of time.

Further, TPFG's analysis of securities relies on the assumption that the companies whose securities we purchase and sell, 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.

2. Managed Strategists Program

The Managed Strategist Program consists of Portfolios made up of RiskPro® Funds. The Funds are managed by TPFG's affiliate, PFG. In managing the RiskPro® Funds, PFG uses Rational Analysis™, as described above, along with RiskPro® to manage the risk of the Fund. For several of the RiskPro® Funds, PFG uses research services provided by an independent asset manager. This approach will result in some of the RiskPro® Funds investing at least 80% of the Fund's net assets in mutual funds advised by a single asset manager, increasing the investment risk of that Fund. In addition to Rational Analysis™ and RiskPro®, the method of analysis and investment strategy for each of the RiskPro® Funds includes the investment approach of the independent asset manager.

In developing and managing the Portfolios in the Managed Strategists Program, TPFG uses Rational Analysis™ and RiskPro®, as described above. TPFG develops different Portfolios that are designed to be aligned with a certain range of risk, as determined by RiskPro®, and to ensure that Clients invest in Managed Portfolios that are consistent with the Client's Risk Profile, also as determined by RiskPro®.

3. The Enhanced Performance Investment Centre

The EPIC Program uses an investment strategy that is based on the view that market movement typically has a significant impact on the variation of portfolio returns. Under this investment approach, TPFG believes that it is useful, in constructing a portfolio, to understand which investments are more or less impacted by market movement. To assist in that process, TPFG categorizes investment strategies in the EPIC Program into three distinct allocations:

- Market Movement Allocation: Strategies that closely track the broad movement of stock and/or bond markets, or a blend of the two.
- Dynamic Asset Allocation: Strategies that seek to adjust opportunistically the total level of risk in the portfolio or allocations to various asset classes. These strategies will track market movement to varying degrees, depending on the strategy and market environment.
- Active Alternatives Allocation: Strategies that may de-link from general market movement and may provide additional diversification.

The EPIC Program is designed to provide Clients with access to a number of institutional money managers. As a result, TPFG permits Program Strategists to utilize their own investment strategies. When conducting due diligence on Program Strategists and Program Investment Products, TPFG reviews key characteristics, such as historical performance, consistency of returns, risk level, expenses, and size of a Program mutual fund and liquidity of a Program ETF (average daily volume). As previously noted, TPFG makes information available about the qualifications, investment philosophies, policies and performance of each of the Program Strategists and each of the Program Investment Products. TPFG as a Strategist in the Program uses TPFG's investment strategies described above.

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

In each of these Investment Programs, TPFG uses its proprietary Rational Analysis™ approach to investing. Further, in each Program, TPFG invests principally in mutual funds (including variable annuity sub-accounts) and ETFs. Mutual funds (and variable annuity sub-accounts) are subject to investment advisory and other expenses, which increases the cost of the Client's investment, as compared to investing directly in the underlying securities owned by a mutual fund (or variable sub-account). ETFs are listed on national stock exchanges and are traded like stocks listed on an exchange. ETF shares may trade at a discount or a premium in market price if there is a limited market in such shares. Investments in ETFs are also subject to brokerage and other trading costs. Finally, for Core Retirement Optimization and Variable Annuity Optimization, TPFG's selection of investment options are limited to the securities made available by the retirement plan sponsor or the annuity sponsor.

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"). Nicholas Scalzo may receive compensation, commissions and/or trailing 12b-1 fees from CIG for services provided to CIG's brokerage clients. However, Nicholas Scalzo does not receive any compensation, commissions and/or trailing 12b-1 fees relating to services provided to TPFG's Clients.

Jason Luhan is a registered representative of WestPark Capital, Inc. (CRD# 5483636), a non-affiliated broker-dealer and a member of FINRA. Jason Luhan does not receive any compensation, commissions and/or trailing 12b-1 fees relating to services provided to TPFG's Clients.

2. PFG and the RiskPro® Funds

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 RiskPro® Funds and receives advisory fees from the Funds for managing each of the Fund's portfolios. TPFG uses the RiskPro® Funds as building blocks for Portfolios in TPFG's Managed Strategists Program. As a result, TPFG Clients that participate in the Managed Strategists Program are shareholders of the RiskPro® Funds, as well as advisory clients of TPFG. Further, in limited circumstances, where TPFG provides services to the TPFG Clients/RiskPro® Fund shareholders, instead of a Financial Intermediary, TPFG receives a shareholder services fee paid by the RiskPro® Funds.

The limitation of available investment solutions for the Managed Strategists Program to the RiskPro® Funds, the receipt of investment advisory fees by PFG from those Funds, and the receipt by TPFG (in limited circumstances) of shareholder services fees paid by the RiskPro® Funds, create a conflict of interest for TPFG, as TPFG is provided with an incentive to select Investment Programs for Clients based on the advisory and other fees received by PFG and TPFG, rather than on the Client's needs.

To mitigate these conflicts, Clients that participate in the Managed Strategists Program are not charged any additional advisory fees by TPFG or by PFG for providing advisory services to Clients. In addition, all advisory and other fees paid to TPFG or its affiliate by the RiskPro® Funds are fully disclosed in the Client's Investment Management Agreement, the RiskPro® Funds' Prospectus and TPFG's ADV Part 2A, 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. The EPIC Program

In many instances, TPFG receives payments from Program Strategists or from Program Investment Products, for services provided by TPFG in connection with making Strategists and their

Investment Products available in the Program. These payments to TPFG create a conflict of interest, as the amounts received by TPFG provide an incentive for TPFG to select Program Strategists and/or Program Investment Products based on the fees received by TPFG, rather than on the Client's needs. To mitigate these conflicts of interest, TPFG uses these payments to reduce the Program Fee paid by the Client to TPFG. For additional information about these fees, the resulting conflict of interest and mitigation of the conflict, see ***Item 5, Fees and Compensation*****.**

4. RiskPro® and ProTools

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®, an on-line software tool that is used to analyze the risk of a portfolio of securities. PFG, an investment adviser affiliated with TPFG, has the exclusive right to distribute RiskPro®.

One form of distribution of RiskPro® by PFG is to financial professionals that use RiskPro® in constructing or recommending portfolios for their clients. In this circumstance, the portfolios do not include TPFG's Investment Programs. Instead, RiskPro® makes available to the financial professional information about most all equity securities, mutual funds and ETFs. At the same time, RiskPro® features certain independent asset managers and their investment products ("Featured Products").

Typically, PFG receives compensation or reimbursement from the asset manager or the investment product for the opportunity to be featured on RiskPro® and for other services provided by PFG. Payments are made to PFG when RiskPro® is utilized by a financial professional to make the decision to purchase, on behalf of their client, a Featured Product. Such payments to PFG create conflicts of interest, as described below.

Several of the independent asset managers featured on RiskPro® also serve as research providers to PFG, in connection with PFG's role as investment adviser to the RiskPro® Funds. Further, several of the independent asset managers featured on RiskPro® serve as Program Strategists in the EPIC Program. The compensation received by PFG from featured asset managers provides an incentive for TPFG to select investment products for TPFG Clients in the Managed Strategists Program or in the EPIC Program that include these featured asset managers, as the increased use of these managers by TPFG will assist in ensuring that the managers continue to agree to compensate PFG to be Featured Products on RiskPro®.

In order to mitigate these conflicts of interest, TPFG is disclosing the payments received by PFG, in connection with the distribution of RiskPro® to financial professionals, and the resulting conflicts of interest, so that Financial Intermediaries and TPFG Clients may make fully informed decisions.

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

1. Code of Ethics

TPFG adopted a Code of Ethics that is designed to ensure that all employees and other persons associated with TPFG (collectively, "TPFG Associates") (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 TPFG Associates. It is the obligation of TPFG Associates 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 TPFG Associates; outside employment activities of TPFG Associates; 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 866 583-8734 or by email at Compliance@TPFG.com.

On an annual basis, TPFG Associates 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 TPFG Associates is monitored by TPFG's Compliance Department to ensure that all personal trading is consistent with SEC Regulations and the Code. Duplicate statements and trade confirmations are received and maintained by the Compliance Department. In addition, TPFG Associates complete a quarterly Personal Trading report. Through this process, conflicts between TPFG Associates and trading by TPFG Clients or by the RiskPro® Funds, which are managed by TPFG's affiliate, can be identified and resolved. Under the Regulations adopted pursuant to Section 204A of the Investment Advisers Act of 1940, TPFG Associates are not required to report transactions in open-end mutual funds or open-end ETFs, other than trades in the RiskPro® Funds.

Subject to reporting requirements and any conflicts of interest that may be identified by TPFG's Compliance Department, TPFG Associates are permitted to purchase or sell the same securities that TPFG may purchase or sell for Clients or that may be purchased of sold on behalf of the RiskPro® Funds; provided, however, that TPFG Associates may not knowingly purchase or sell a security prior to a transaction in the same security being implemented for a Client or for a RiskPro® Fund.

Preclearance by TPFG's Compliance Department is required for IPO's, private or limited offerings and "hot issues." In addition, TPFG Associates are prohibited from soliciting sales or giving investment advice to Clients on closely held securities, thinly traded securities, or any securities in which they have a material interest. No securities are placed in Client accounts in which any TPFG Associate has a material interest or are thinly traded or closely held.

From time to time, trades on behalf of TPFG Associates may be aggregated with Client trades. All accounts participating in the aggregate order shall receive an average share price with all other transaction costs shared on a pro-rata basis. **At no time will TPFG transact in any security to the detriment of any Client or any RiskPro® Fund.**

TPFG also adopted written policies and procedures to detect insider trading and the misuse of material, non- public information. The annual execution of the Code of Ethics by TPFG Associates includes an acknowledgement the Associates will not participate in insider trading.

3. Sanctions

Any TPFG Associate that fails to act in accordance with the Code of Ethics is subject to a variety of sanctions, including termination of employment and/or TPFG reporting certain violations to the appropriate regulatory authorities.

Item 12. Brokerage Practices

1. TPFG Investment Programs

For TPFG Investment Programs, we require the Client to select the broker-deal and the broker-dealer, in turn, selects the qualified custodian that will hold the account. In many instances, such as an SDBA or SDO Client that participates in the Managed Strategists Program, the Client is required to use the broker-dealer and custodian selected by the sponsor of the retirement plan. Similarly, for Core Retirement Optimization and Variable Annuity Optimization, the Client is required to use the broker-dealer and custodian selected by the retirement plan sponsor or the sponsor of the variable annuity. Under these circumstances, any fees charged to the Client by the broker-dealer is determined by the broker and sponsor (for the retirement plan or the variable annuity).

For the Managed Strategists Program, where the Client is not opening an SDBA or SDO with a broker-dealer and custodian required by the retirement plan sponsor, the Client selects the broker-dealer from a list of available brokers provided to the Client and their Financial Intermediary. Under this circumstance, the Client is not charged for trading or custodial services but is for miscellaneous services such as check requests and wires.

In the Managed Strategists program, as previously described in ***Item 5, Fees and Compensation*,** TPFG does not receive advisory fees from the Client, as PFG (TPFG's affiliate) receives advisory fees from the RiskPro® Funds that make up the Managed Portfolios. In limited circumstances, TPFG receives shareholder services fees from the RiskPro® Funds. In addition, the Financial

Intermediary is compensated by the RiskPro® Funds and by TPFG from its own resources. Any fees charged by the broker-dealer are in addition to these fees.

For Core Retirement Optimization and Variable Annuity Optimization, the fees charged by the broker-dealer are in addition to the advisory fees paid by the Client to TPFG and the fees paid by the Client to the Financial Intermediary, as previously described in ***Item 5, Fees and Compensation***.

For SMAs and for the EPIC Program, the Client selects the broker-dealer from a list of available brokers provided to the Client and their Financial Intermediary. In both of these Investment Programs, the Client enters into an agreement with the broker-dealer where the broker agrees to provide a range of services, in addition to execution of trading, such as record keeping and custodial services, for a fee agreed upon by the Client and the broker. Often, the agreed upon fee is asset based, as opposed to transaction based. The fee paid by the Client to the broker-dealer is in addition to the advisory fee paid by the Client to TPFG and the fee paid by the Client to the Financial Intermediary, as previously described in ***Item 5, Fees and Compensation***.

Not all advisers require their clients to select the broker-dealer that will execute trades on the client's behalf. Where TPFG is directed by the Client to use a specific broker-dealer, TPFG may not be able to receive the most favorable execution of Client transactions. As a result, the Client may pay more money for trade execution.

In most instances, TPFG will aggregate trades on behalf Clients that are taking place at the same time. However, in light of the direction by the Client to use a specific broker-dealer, and the arrangement between brokers and qualified custodians, TPFG will aggregate Client trades solely where Clients are trading through the same qualified custodian. Where trades are aggregated, no Client will be favored over any other Client, and each account that participates in an aggregated order will participate at the average share price (per the same qualified custodian) for all transactions in that security on a given business day.

For TPFG's Investment Programs, TPFG does not receive soft dollar benefits from the broker-dealers selected by the Client.

TPFG does, however, receive, from several broker-dealers, without cost (or at a discount), support services and/or products ("Support Services") that benefit TPFG. These 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 are not necessarily used by TPFG to benefit all Clients but are typically used by TPFG to service some substantial number of TPFG Clients. Support Services provided by one broker-dealer may be used to benefit Client accounts maintained at another broker-dealer, regardless of whether that other broker-dealer provides any Support Services to TPFG.

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, when authorized by the Client; and
- Assist with back-office functions, recordkeeping and reporting for Clients.

In addition, Schwab, Fidelity, TD Ameritrade and Pershing offer other Support Services intended to help TPFG manage and further develop TPFG's business enterprise. These Support Services include, among others:

- Compliance, legal and business consulting;
- Publications and conferences on practice management and business succession;
- Access to employee benefits providers, human capital consultants and insurance providers; and
- Educational events for TPFG.

The receipt of economic benefits by TPFG from these broker-dealers creates a conflict of interest for TPFG as it may influence TPFG's determination of which broker-dealers to make available to Clients in TPFG's Investment Programs.

In general, broker-dealers do not refer Clients to TPFG. There are, however, legacy Clients that were referred to TPFG by Schwab, many years ago. In addition to serving as discretionary investment manager for these legacy Clients, TPFG also provides a range of Client services, as there are no Financial Intermediaries that work with these legacy Clients. Prior to referral of these Clients by Schwab, TPFG entered into a Participation Agreement with Schwab, where TPFG agreed to pay a Participation Fee to Schwab based on each legacy Client's assets under management with TPFG, for so long as the Client's account remained with TPFG. Other than these legacy accounts previously referred by Schwab, TPFG did not receive client referrals from any broker-dealers over the prior calendar year.

2. <u>RiskPro® Funds</u>

TPFG is not the investment adviser to the RiskPro® Funds. TPFG's affiliate, PFG, serves as the RiskPro® Funds' investment adviser. In executing trades on behalf of the RiskPro® Funds, PFG seeks to fulfill its duty of best execution to the Funds by executing trades in such a manner that the Fund's total cost in each transaction is most favorable under the circumstances. The relevant circumstances include the full range and quality of the broker-dealer's services, including execution quality, commission rate, the value of research provided, financial responsibility, responsiveness to PFG and other services that assist PFG in providing investment management services to its clients. As a result, PFG may select a broker-dealer to execute trades on behalf of the RiskPro® Funds who provides PFG with useful research and transaction services, even though a lower commission rate may be available from a broker-dealer that provides no research services and minimal securities transaction assistance.

The types of trading and research services provided to PFG are of the type described in Section 28(e) of the Securities Exchange Act (known as “soft dollar benefits”) and are designed to augment PFG’s own internal research and investment strategy capabilities. Soft dollar benefits include research and products provided by third parties and paid for by the broker-dealer. Soft dollar benefits may be useful in servicing all of PFG’s clients, as well as some or all of TPFG’s Clients. As a result, a RiskPro® Fund may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific Fund.

PFG “pays up” for soft dollar benefits if PFG determines in good faith that the commissions paid are reasonable in relation to the value of the brokerage and/or research services provided by that broker-dealer, viewed either in terms of a particular transaction or PFG’s overall duty to PFG’s discretionary client accounts. In addition, PFG may consider the value of the services to its affiliate, TPFG, in fulfilling TPFG’s overall duty to TPFG’s discretionary Client accounts. For more information about PFG’s brokerage services and PFG’s receipt of soft dollar benefits, including arrangements for “mixed-use” products that may not be exclusively used for either execution or research services, see Section 12 of PFG’s ADV Part 2A.

When PFG uses RiskPro® Funds’ brokerage commissions to obtain research or brokerage services, PFG receives a benefit to the extent that PFG does not have to produce such products internally or compensate third-parties with PFG’s own money for the delivery of such services. Similarly, to the extent that TPFG is provided with the opportunity to use the soft dollar benefits obtained by its affiliate, PFG, through the use of RiskPro® Funds’ commissions, TPFG receives a benefit to the extent that TPFG does not have to produce such products internally or compensate third-parties with TPFG’s own money for the delivery of such services. Consequently, PFG’s use of RiskPro® Funds’ brokerage commissions for soft dollar benefits results in a conflict of interest for PFG, because PFG has an incentive to direct RiskPro® Funds’ brokerage to a broker who provides soft dollar benefits utilized by PFG and/or TPFG, even if that broker does not offer the best price or commission rates for the RiskPro® Funds.

For reasons described in PFG’s ADV Part 2A, including the types of securities traded for the RiskPro® Funds (mutual funds and ETFs), efficiency of operations and the quality of trading services received, PFG directs all of the RiskPro® Funds’ trades to a single broker-dealer, Ceros Financial Services, Inc. (“Ceros”). Over the past year, the types of research services and products provided by Ceros through soft dollar benefits included:

- 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 that provide substantive content relating to issuers, industries or securities
- Trade magazines and technical journals
- Proxy services

- Quantitative analytical software
- Pre-trade and post-trade analytics

As previously described in this Section, some of these research products and services are used by TPFG in making investment decisions on behalf of TPFG's Clients. 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.

PFG does not receive soft dollars in connection with its trades on behalf of any other PFG clients. In 2017, TPFG served as the investment adviser for a different group of Pacific Financial mutual funds. During that period of time, TPFG utilized Ceros to trade on behalf of those mutual funds and TPFG received soft dollar benefits in connection with those trades. TPFG's program for soft dollar benefits was structured similar to the program used by PFG when trading on behalf of the RiskPro® Funds, as described above, including the benefits received by TPFG from soft dollar benefits and the resulting conflict of interest. The mutual funds managed by TPFG were liquidated in January 2018. As a result, TPFG no longer receives soft dollar benefits in connection with trading on behalf of any of TPFG's discretionary Clients.

Item 13. Review of Accounts

1. Investment Programs

In many instances, TPFG offers Investment Programs that include a variety of different Portfolios, based on different ranges of risk and subject to Client restrictions or special instructions. Consequently, the initial step in reviewing Client accounts is to monitor and review the Portfolios that make up our Investment Programs.

For the Managed Strategists Program, TPFG develops and manages Portfolios consisting of the RiskPro® Funds. The Funds are continually monitored by their investment adviser, PFG (an affiliate of TPFG), and revised or rebalanced as determined by PFG. The Managed Portfolios, in turn, are continually monitored by TPFG, with changes or rebalancing implemented by TPFG to manage risk (based on RiskPro®) or to enhance the Portfolio based on TPFG's proprietary investment approach referred to as Rational Analysis™. For a description of the factors considered by TPFG under the Rational Analysis™ approach, see ***Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.***

The Separately Managed Account Portfolios are also continually monitored by TPFG. For the non-tax managed Portfolios, TPFG changes or rebalances the Portfolios based on RiskPro® and Rational Analysis™. For the tax-managed Portfolios, in addition to relying on RiskPro® and Rational Analysis™, priority is given to avoiding income taxes or harvesting losses at a Client's request.

For the EPIC Program, TPFG continually monitors the Program Strategists and the Program Investment Products. We will make changes to Strategists or Investment Products (such as a decision to add a new Strategist or eliminate an existing Strategist) as and when we deem appropriate. We will also implement any approved rebalancing to Program Investment Products, as instructed by the Strategists.

For Core Retirement Optimization and Variable Annuity Optimization Portfolios, TPFG continually monitors the Portfolios in each Investment Program and rebalances or changes the Portfolios based on RiskPro® and Rational Analysis™.

2. Client Accounts

In light of the extent of monitoring of Investment Programs, the focus of review of Client accounts is to ensure that Client holdings are consistent with the Client's Risk Profile and any special instructions provided by the Client. Tax Managed SMAs are also reviewed for tax purposes.

Client accounts are typically reviewed on a quarterly basis. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances or the market, political or economic environment. Changes in the Investment Programs will also trigger review, to ensure that all Client accounts are appropriately updated.

Reviewers include Jennifer Enstad, CFA® and Chief Investment Officer; Eric Neufeld, CFA® and Portfolio Manager; Julia Stewart, Portfolio Manager; and Erwin Ma, Financial Analyst.

The Financial Intermediary is responsible to monitor the Client's financial circumstances, investment objectives and risk tolerance, and report any changes in the Client's Risk Profile to TPFG. The Financial Intermediary 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.

3. Reports

Clients receive quarterly (or, in some instance, monthly) statements from their qualified custodian, as well as confirmations of transactions. In addition, we provide quarterly reports identifying each Client's transactions, holdings, values and account performance.

Item 14. Client Referrals and Other Compensation

TPFG works with Financial Intermediaries that refer Clients to TPFG. Typically, all TPFG Clients in all TPFG Investment Programs are referred to TPFG by Financial Intermediaries. Consequently, TPFG has a single fee schedule for each Investment Program, which includes compensation to the Financial Intermediary for the referral of the Client and for other services provided by the Intermediary to the Client.

TPFG's fee schedule may vary, however, with respect to the amount of compensation paid to the Intermediary. At the time that TPFG enters into an Investment Management Agreement with the Client, the Financial Intermediary and the Client execute a Disclosure of Compensation Statement, as required by Section 206(4)-3 of the Regulations under the Investment Advisers Act of 1940, which sets forth the amounts and sources of the Intermediary's compensation.

For additional information about compensation received by Financial Intermediaries in connection with each of TPFG's Investment Programs, see ***Item 5, Fees and Compensation*** . For a description of the services provided by the Financial Intermediary, see ***Item 4, Advisory Business***.

Item 15. Custody

As previously disclosed, for certain TPFG Investment Programs, TPFG directly debits advisory fees from Client accounts. TPFG is deemed to have custody of Client assets to the extent that TPFG authorizes custodians to deduct fees owed to TPFG from the Client's account. TPFG is not the qualified custodian of Client accounts.

The qualified custodian for each Client's account (typically, a broker/dealer, bank, trust company or other financial institution) holds the Client's securities and funds. On at least a quarterly basis, the qualified custodian is required to send to the Client a statement showing all transactions within the account during the reporting period, including any fees deducted from 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 directly if they believe that there may be an error in their statement.

In addition, TPFG sends Clients a quarterly statement that includes an account summary, identifying transactions, holdings and values, along with a quarterly newsletter (generic). In order to ensure that all account transactions, holdings and values are correct and current, TPFG urges Clients to compare our firm's statement with the statement you receive directly from your qualified custodian.

Item 16 Investment Discretion

In most instances, Clients hire TPFG to provide discretionary asset management services, in which case we place trades in a Client's account without contacting the Client prior to each trade to obtain the Client's permission. Subject to the limitations described below, our discretionary authority includes the ability to (i) determine the security to buy or sell on the Client's behalf; and/or (ii) determine the amount of the security to buy or sell on the Client's behalf. We are authorized to take these actions without first contacting the Client.

Clients provide us with discretionary authority when they sign a discretionary Investment Management Agreement with our firm. The Management Agreement allows the Client to limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions. In the Agreement, TPFG agrees to exercise its discretion consistent with the Client's Risk Profile and consistent with the Client's written instructions.

Item 17. Voting Client Securities

TPFG does not have the authority to vote Client securities (proxies) on behalf of hte Clients. 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.

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

March 29, 2019

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.
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Bellevue, Washington 98004
800.735.7199 Or 425.451.7722

March 29, 2019

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 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

March 29, 2019

This brochure supplement provides information about Julia Stewart 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.