



**Part 2A of Form ADV: Firm Brochure  
The Pacific Financial Group, Inc.**

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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 Linda Hoard, Chief Compliance Officer, at 425-451-7722 or [compliance@tpfg.com](mailto: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](http://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 Pacific Financial Group, Inc. (“TPFG”, “we”, “firm”, “our”, or “us”) reviews and updates its Brochure at least annually to confirm that it remains current. The purpose of this page is to inform you of any material change since the last annual update to our Disclosure Brochure (hereafter “Brochure” or “ADV”).

A material change typically includes such things as changes to business lines or products offered, fee arrangements, changes in control of the company or other aspects of the business a client would want to know about in evaluating the products and services offered by TPFG.

Effective March 18, 2024, Mr. Chris Mills was appointed as CEO of TPFG, and Ms. Megan Meade (former CEO) continues in her role as a Managing Member. Effective March 18, 2024, Ms. Linda Hoard was appointed as CCO of TPFG.

TPFG is in the process of providing an additional advisory program titled Pacific Premier Partners Program (“P4”). TPFG through P4 will offer Advisers professionally managed models by TPFG and professionally managed models by unaffiliated asset managers and Single Ticker Models (“STMs”) managed by Pacific Financial Group (“PFG”). Advisers will have the ability to build custom Unified Managed Account allocations (“UMAs”) using multiple strategies offered on P4.

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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<sup>1</sup> (“SEC”). TPFPG was founded in 1984 and its principal place of business is located in Bellevue, Washington. Chris Mills serves as the Chief Executive Officer for the firm. Our boutique firm is structured to provide quality, professional investment advice and excellent service to each client.

In September 2017, TPFPG was reorganized. As a result, The Pacific Holdings Group, LLC, a Washington state limited liability company (“Pacific Holdings”) is the sole owner of: TPFPG; ProTools, LLC (“ProTools”), the developer of RiskPro®, a software tool used for risk management and state of California state limited liability company registered investment adviser; and Pacific Financial Group, LLC, a California based investment adviser registered with the SEC, Megan Meade is the owner of more than 50% but less than 75% of the Membership Interests in Pacific Holdings.

TPFG is providing six principal types of investment advisory programs (each a “Program”): the Self-Directed Brokerage Account Program (“SDBA”); (2) Separately Managed Account Program (“SMA”); (3) the Enhanced Portfolio Investment Centre (“EPIC”) and Market Movement Solutions (“MMS”) Programs; (4) Core Retirement Optimization Program (“CRO”); (5) Variable Annuity Optimization Program (“VAO”) and (6) the Pacific Premier Partners Program (“P4”). TPFPG works with investment adviser representatives (each an “IAR” or “Adviser”) affiliated with registered investment advisers (“Introducing Firms”) who refer clients to TPFPG.

### 1. TPFPG’s Investment Programs

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

The Self-Directed Brokerage Account (“SDBA”) Program is 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”). In the SDBA Program, the Client will open a Self-Directed Brokerage Account (a “Self-Directed account”) as permitted by the Client’s group retirement plan which permits the participant (i.e., the Client) to direct the investments in the account and in most cases, to appoint TPFPG 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.

Each Model is developed and managed by TPFPG and the models are made up solely of the PFG Funds. Clients become shareholders of the PFG Funds when participating in the SDBA Program. The PFG Funds are funds of funds meaning they hold other funds (each an “Underlying Fund”) within the PFG Fund. PFG uses research services provided by independent strategists (each a “Strategist”) for all of the PFG Funds, and at least 80% of each Fund’s net assets are invested in mutual funds or ETFs advised by a single Strategist. Each

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<sup>1</sup> Registration with the SEC or other state or federal regulator does not imply that the regulator has approved, sponsored, recommended, or approved of TPFPG, nor does registration infer a certain level of professional, competence, education or special training.

Pacific Fund is a single ticker model (“Single Ticker Model” or “STM”) portfolio consisting of the underlying funds within the Pacific Fund adhering to the Fund’s stated investment discipline.

Using the PFG Funds (or STMs) as building blocks, TPFPG 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.

TPFPG 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 discipline enhanced by merging strategic and tactical allocations with both passive and active fund options. Customized individual risk budgets combined with this 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.
- **Focus PLUS™** - Provides the ability to access targeted Strategists or one particular Strategist.
- **Multi PLUS™** - Provides a diversified multi-strategist approach that positions TPFPG’s investment strategy specialists to deliver models with significant diversification.

Prior to investing in any of the PFG Funds, or in any of the Models, investors should carefully consider 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 TPFPG at 800 735-7199 or visit [www.TPFPG.com](http://www.TPFPG.com).

## **B. Separately Managed Account Program**

TPFPG offers nine Model Portfolios (each a “Model”) in the Separately Managed Account Program (“SMA”). The Models are managed by TPFPG and consist of Mutual Funds and ETFs held within a single account. Advisers will frequently refer Clients to the SMA Program 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 nine Models each have their own investment discipline:

- **Equity-** The objective of the Equity Model is capital appreciation with target exposure of 80% equities. To achieve this objective, a blend of mutual funds and ETFs are used in the allocation. The Equity Model proactively adjusts exposure to various sectors, market capitalizations, and style depending on market conditions.
- **Balanced** – The objective of the Balanced Model is income and capital appreciation

with exposure to equities and bonds. The strategy has the flexibility to adjust equity exposure based on market conditions, with a 30%-70% exposure to equities. Equity exposure is generally broadly diversified across market capitalizations, along with dynamic allocations to sectors and styles. Fixed income exposure is generally broadly diversified across sectors, yield, and duration. To achieve this objective, a blend of mutual funds and ETFs are used in the allocation.

- **Income** – The objective of the Income is to provide a higher level of income relative to the Equity and Balanced Model. In constructing the portfolio, an emphasis is placed on income, with a secondary objective of total return. The portfolio has the flexibility to invest in a wide range of income-producing asset classes and will seek to take advantage of opportunities in areas such as sectors, yield, and duration. In addition to fixed income, the portfolio can invest in equities and alternatives. To achieve this objective, a blend of mutual funds and ETFs are used in the allocation.
- **Strategic Equity** - The objective of the Equity Model is capital appreciation with target exposure of 80% equities. The discipline is strategic in nature. To achieve this objective ETFs are used across market capitalizations and equity styles.
- **Strategic Balanced** - The objective of the Balanced Model is long-term income and capital appreciation with exposure to equities and bonds. The discipline is strategic in nature and 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. To achieve this objective ETFs are used in the allocation.
- **Strategic Moderate Growth** – The objective of the Strategic Moderate Growth Model is long-term capital appreciation through exposure to equities and fixed income securities. The discipline 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 and equity styles. Fixed income exposure will also be broadly diversified across sectors, credit quality, and maturities.
- **Capital Defender Moderate Growth** - The TPGF Capital Defender Moderate Growth Asset Allocation model seeks to deliver balanced returns and moderate account drawdown as the primary goals. This multi-strategy model has a target of a 8%-10% annualized rate of return with a 10%-12% drawdown. Through a disciplined and rigorous investment approach the defender series looks at the market as a whole and adjusts and rebalances once per month to account for multi-asset market movement as compared to the traditional equity and bond silos. The Capital Defender Moderate Growth Model is augmented with a tactical hedge to protect against potential unexpected downside in risk assets. A variety of macroeconomic indicators will be utilized to determine when and how much of a hedge is implemented.

- **Capital Defender Moderate** - The Capital Defender Moderate Asset Allocation model seeks to deliver balanced returns and reduced account drawdown as the primary goals. This multi-strategy model has a target of a 7%-8% annualized rate of return with an 8%-10% drawdown. Through a disciplined and rigorous investment approach the defender series looks at the market as a whole and adjusts and rebalances once per month to account for multi-asset market movement as compared to the traditional equity and bond silos. The Capital Defender Moderate Growth Model is augmented with a tactical hedge to protect against potential unexpected downside in risk assets. A variety of macroeconomic indicators will be utilized to determine when and how much of a hedge is implemented.
- **Capital Defender Moderate Conservative** - The Capital Defender Moderate Conservative Asset Allocation model seeks to deliver capital preservative and minimal account drawdown as the primary goals. This multi-strategy model has a target of a 6%-7% annualized rate of return with a 6%-8% downside volatility tolerance. Through a disciplined and rigorous investment approach the defender series looks at the market as a whole and adjusts and rebalances once per month to account for multi-asset market movement as compared to the traditional equity and bond silos. The process determines how much of the portfolio should be allocated to “risky” assets within the overall investment policy and involves the utilization of a lower risk/absolute return portfolio. The Capital Defender Moderate Conservative model is augmented with a tactical hedge to protect against potential unexpected downside in risk assets. A variety of macroeconomic indicators will be utilized to determine when and how much of a hedge is implemented.

### **C. The Enhanced Portfolio Investment Centre, Market Movement Solutions, and the Pacific Premier Partners Program**

TPFG sponsors three turnkey asset management platforms (each a “Platform”) entitled the Enhanced Portfolio Investment Centre (“EPIC”) Platform, the Market Movement Solutions (“MMS”), and the Pacific Premier Partners Program (“P4”). Depending on the Platform chosen, Advisers will be offered professionally managed models by TPFG, professionally managed models by unaffiliated asset managers, and Single Ticker Models (“STMs”) managed by PFG.

TPFG provides a variety of services and technology to the Client’s Adviser. Such services include: access to 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 the Adviser***), Client grants to TPFPG 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, TPFPG 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 TPFPG 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 TPFPG and Adviser, are more fully disclosed in the Investment Management Agreement entered into by TPFPG, the Adviser, and the Client.

The P4 Platform consists of:

- **Investment Solutions.** TPFPG is responsible for the curation of certain of the investment solutions offered through the P4 Platform (the "P4 Investments"), including:
  - **PFG Single Ticker Models.** Each PFG Single Ticker Model is a mutual fund (a "Pacific Fund") managed by Pacific Financial Group, LLC ("PFG"). PFG receives an annual investment advisory fee from each PFG Single Ticker Model in the amount of 1.25%, reduced to 1.19% as a result of a fee waiver, and TPFPG receives an annual administrative services fee from each PFG Single Ticker Model in the amount of 0.70%. These fees are paid indirectly by the Client who purchases a PFG Single Ticker Model Portfolio, as a shareholder of the mutual fund managed by PFG.
  - **Strategist Model Portfolios.** Each Strategist Model Portfolio is managed by an unaffiliated institutional strategist ("Strategist") and consists of mutual funds, exchange-traded funds ("ETFs"), individual securities, or other investment solutions selected by the Strategist. In some instances, the Strategist compensates TPFPG, based on P4 Platform assets invested in the Strategist Model Portfolio (often referred to as revenue sharing). Compensation from Strategists creates a conflict of interest for TPFPG as it has a financial incentive to select such solutions for the P4 Platform.
  - **Due Diligence.** TPFPG shall perform initial and ongoing due diligence to ensure that each PFG Single Ticker Model and each Strategist Model Portfolio that is included as a P4 Investment is appropriate for the P4 Platform. TPFPG shall have the sole discretion to determine the PFG Single Ticker Models and the Strategist Model Portfolios to be offered as P4 Investments.
- **Other Investments.** In addition to P4 Investments, many other mutual funds, ETFs, securities, and other investment solutions (collectively, "Other Investments") are available through the P4 Platform.



## 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 group retirement plan.

Each model uses a diversified asset allocation strategy to manage risk. The Client, along with the Adviser, determines the appropriate strategy based on the goals, objectives, risk tolerance, needs and time frame of the Client.

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.
- **Moderate 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.
- **Asset Allocation**: The primary goal of this strategy is long-term capital appreciation, with some emphasis on income.
- **Strategic Equity**: Designed for the investor seeking capital appreciation through equities. The primary goal of this strategy is long-term capital appreciation.
- **Global\***: Designed for the aggressive investor seeking long-term capital appreciation within global markets.

*\* Available for Fidelity accounts only.*

## 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 uses 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:

- **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 diversification. It has a moderate level of risk.
- **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.

Clients should be aware that their annuity policy may contain riders that provide for certain features, benefits, and guarantees (the "Policy Rider"). The deduction of fees from the account, trading activity, and/or use of certain subaccounts or investment options may cause Client's policy to experience a reduction in, or termination of, the Policy Rider. It is the Client's responsibility to fully understand the policy and any Policy Rider(s), and the negative impact that might occur as a result of TPFG's management and fee deduction from the Account. TPFG does not provide insurance advice.

## 2. Role of the Adviser

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 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:

- **General Duties** - 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. Clients should fully understand the totality of the services provided by the Adviser as the Adviser may also provide the Client other investment products or services outside of, 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, dependent upon the program being used, will complete an Account Application, an Investment Management Agreement (“IMA”) which notes the agreement between the Client, Adviser and TPFPG; a Statement of Investment Selection (“SIS”) and/or client investment proposal 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/Proposal and Separate Fee Disclosure, the Adviser is responsible for providing Clients with TPFPG’s Privacy Policy, Code of Ethics, and Form ADV Part 2A (this brochure) and Part 2B, Form CRS, and the appropriate PFG Fund prospectus as applicable, all of which are incorporated into the IMA 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 TPFPG and promptly providing copies of all required documentation to TPFPG and the Client as necessary.
- **Investment Program Selection and Allocation** - It is the Adviser’s responsibility to understand the Programs and TPFPG’s policies relative to the Programs when evaluating or recommending a Program to a Client. The Adviser educates the Client about TPFPG’s Programs, and determines with the Client, the Program and investment allocations that are consistent with the Client’s investment objectives.
- **Ongoing Monitoring** - The Adviser maintains ongoing contact with the Client to obtain updated information about each Client’s 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 Client’s investment objectives and financial circumstances. The Adviser will communicate any changes to TPFPG as necessary.

### 3. Role of TPFPG

In assisting the Adviser, TPFPG 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, TPFPG 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, TPFPG 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 UMAs 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 TPFPG to the Client are more fully described in the IMA and applicable SIS.

#### **4. TPFPG as Adviser to Private Clients.**

TPFPG typically provides its Programs and services to Clients who are introduced through TPFPG's national network of Introducing Firms. Under certain circumstances, Advisers of TPFPG will service Clients directly. When advising Clients directly, the Client will be a "Private Client" and TPFPG will assume the roles and responsibilities otherwise assumed by the Introducing Firm. In this regard, TPFPG assumes supervisory responsibilities applicable to the activities of the TPFPG 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:**

Under most circumstances, Client will grant Adviser a Limited Power of Attorney ("LPOA"). However, certain Introducing Firms will not permit the Advisers they supervise to accept the LPOA. In such instances, the client provides all instructions to TPFPG. When granting LPOA to the Adviser, the Client is authorizing TPFPG to accept instructions from the Adviser without first verifying the instruction with the Client. Any instructions provided by the Adviser must adhere to TPFPG's policies as TPFPG 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 (to include Single Ticker 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 TPFPG'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/and or approved by the selected Program. Unless otherwise specified, this authorization does not grant the Adviser the discretion to create custom UMAs for the SDBA, SMA, VAO or CRO Programs as those programs are limited solely to the selection of Models created and managed by TPFPG. Client authorizes TPFPG to rely on the representations made by the Adviser that the allocation and any risk profiles or risk tolerances associated with the allocation are appropriate for the client. TPFPG 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 after 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 and are outlined in the specific program IMA. 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 or investment proposal 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 with 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 individualized investment advice or 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 shall be a fiduciary 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](mailto: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. TPFPG 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, TPFPG will prorate the reimbursement according to the number of days remaining in the billing period.

## **8. Assets Under Management**

As of December 31, 2023, TPFPG's total amount of discretionary assets under management was \$3,491,796,905 and TPFPG's total amount of non-discretionary assets under management was \$ 240,901,598.

## **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/Investment Proposal and Separate Fee Disclosure. Except for the fees assessed in the SDBA Programs, or in situations where the Client has elected to pay the fees from sources other than the account, TPFPG may need to liquidate one or more holdings to raise cash to pay the fees. The fees paid are used by TPFPG to maintain its operations and the various Programs which include paying management fees, Strategists, and compensating Advisers for their services. Unless otherwise noted here, the fees assessed by TPFPG are exclusive of any fees a fund, Strategist, Investment Product, 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. SDBA Program Fees**

Clients that participate in the Self-Directed Brokerage Account are investing in models that consist solely of the PFG Funds managed by TPFPG's affiliate, PFG. The SDBA Program does not charge any fees as all fees are paid from the PFG Funds. As shareholders of the PFG Funds, clients indirectly pay these fees (see "PFG Fund Fees").

### **2. PFG Fund Fees**

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 PFG Fund and are paid monthly. The PFG Fund's internal expenses do not include the Acquired Fund Fees and Expense ("AFFE Fees") of the Underlying Funds. Clients will indirectly pay through the PFG Funds, the following fees when participating in the SDBA and P4 Program

- **Advisory Fee** - The Funds will pay up to 1.25% of the NAV of each Fund to PFG, an affiliate of TPFPG, for providing investment advice to the Funds. The receipt of these fees provides an indirect benefit to TPFPG as TPFPG is able to use the fees in its affiliated operations with PFG which would otherwise be borne by TPFPG.
- **12b-1 Fees** - 12b-1 Fees of 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 FINRA member broker dealer. Neither TPFPG nor any of its affiliates are FINRA member broker dealers; as such, TPFPG is not able to, and does not receive any 12b-1 fees.
- **Administrative Services Fee** - TPFPG entered into an Administrative Services Agreement with the PFG Fund's Trust. Under the terms of the Administrative Services Agreement, TPFPG receives a fee from each Fund in an amount equal to 64 basis points (0.64%) 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.

The fees noted here do not include the AFFE fees assessed by the Underlying Funds held within the PFG Funds. Effective January 1, 2023, PFG has agreed to reduce its management fee so that the fees, exclusive of AFFE fees, will not exceed 1.99%. In addition, one or more Underlying Fund strategists may provide additional compensation to TPFPG for including their strategies within a Model. If received, the compensation will be used to reduce the Administrative Service Fee paid to TPFPG. Clients should review the PFG Funds' Prospectus for a description of all fees and charges assessed by the PFG Funds. A copy of the PFG Funds prospectus can be found at [www.TPFG.com](http://www.TPFG.com).

- **Conflicts of Interest when Receiving Compensation from the PFG Funds** - TPFPG's receipt of fees from the PFG Funds creates a conflict of interest as TPFPG has an incentive to select the PFG Funds for the fees it and its affiliate receive. To mitigate this conflict, Clients that participate in the SDBA and P4 Programs are not charged any additional platform, trading, or advisory fees by TPFPG.
- **Client Pays Fund Fee Regardless** - When participating in the SDBA and P4 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 Model selected. Accordingly, if the Client terminates the advisory agreement with TPFPG 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 TPFPG 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](http://www.TPFG.com). In addition to the discussion of fees paid by the Client in this Brochure, the amounts and sources of all fees paid by the Client to TPFPG 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.

### 3. 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

Under certain circumstances, a custom fee schedule may be applied as agreed to by TPFG, the Adviser and Client. 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.

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. The fees paid by a client are fully disclosed in the Separate Fee Disclosure.

### 4. EPIC and MMS Program Fees

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 <sup>2</sup>
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

<sup>2</sup> See "Additional Fee Information" below.



will not exceed 1.50%.

The fees paid to the Adviser are set forth in the SIS and negotiated between the Client and Adviser. 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. See Additional Fee Information below.

## 5. P4 Program

For the P4 Program, 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 1.85% as noted in the table below. TPFG waives the 0.35% platform fee for the Adviser in the event that a client selects at least 25% of their account assets to be invested in PFG Funds. Within the SDBA program, TPFG does not charge a platform fee, nor does the Adviser charge an additional advisory fee.

- **PFG Funds used in P4** – When the PFG Funds are used in the P4 program, the client will indirectly pay the fees associated with the PFG Fund. **See PFG Fund Fees disclosure above.**

ANNUAL TOTAL P4 PROGRAM FEES:		
Maximum Platform Fee	Maximum Adviser Fee	Maximum Program Fees
0.35%	1.50%	1.85%

## 6. Additional Fee Information

- **Additional Strategist Fee** – The Strategist is typically compensated through the use of the Strategist's proprietary funds. Accordingly, the Strategist is compensated from the internal fund expenses charged by the various Strategist's proprietary funds used by the TPFG. Under certain circumstances, a Strategists may charge the Client a separate fee (the "Strategist Fee") for managing a Model or allocation. This typically occurs when the Strategist 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' prior 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.

- **Other fees may apply** - Other than for the PFG Funds as used in the SDBA and P4 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** - Client accounts that are part of the same family or household may be grouped together to qualify for reduced fees ("Householding"). SDBA and Managed Strategist accounts are not eligible for Householding as the fees are paid from the internal fund expenses. Householding is not automatic and must be established by providing TPFG written instructions which are subject to TPFG's acceptance in its discretion. TPFG is not always able to Household related accounts.
- **Reduced Fee** - Some 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.
- **Fees Will Reduce Returns** - Clients should be aware that the fees paid from an account will reduce the return of the investment over time.

## Item 6. Performance-Based Fees & Side-by-Side Management

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

## Item 7. Types of Clients

TPFG provides advisory services to individuals, 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. TPFPG requires the following minimum dollar value of assets for opening an account:

<b>Program</b>	<b>Account Minimum</b>
SDBA Program	No minimum unless otherwise stated by the plan sponsor or custodial platform
EPIC Programs	\$2,500
MMS Program	\$7,000
P4	No minimum (unless otherwise stated by the administrative technology platform)
Core Retirement Optimization	No minimum
Variable Annuity Optimization	No minimum
<b>Separately Managed Accounts:</b>	<b>SMA Custodian Account Minimums</b>
	Charles Schwab, Fidelity, BNY Melon and Pershing
Income – Cash Yield	\$50,000
Balanced	\$100,000
Strategic Balanced	\$25,000
Strategic Moderate Growth	\$25,000
Capital Defender	\$50,000
Equity	\$100,000
Strategic Equity	\$25,000
* Some plans require account minimums to open an SDBA account	

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, TPFPG 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. TPFPG 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. Modern Portfolio Theory

When providing portfolio management, TPFPG will manage to a specific discipline using Modern Portfolio Theory allocating funds across asset classes. By diversifying across asset classes, TPFPG strives to mitigate portfolio risk as the diversified portfolio will provide a weighted return as a percentage of the asset classes allocated to the portfolio. It should be noted that diversification does not prevent investment loss, past performance is not a guarantee of future results.

## 2. RiskPro®

TPFPG uses RiskPro® software, an on-line tool developed by TPFPG'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 with a high degree of probability based on the historical performance. The RiskPro Tolerance Range represents the upper and lower limits of risk tolerance as a percent of probable gain or loss. The higher the estimate, the greater the level of volatility that a portfolio may experience over a twelve-month period. RiskPro's considers, 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. RiskPro results are for informational purposes only.

## 3. Investing Involves Risk

TPFPG's goal is to recommend or construct Models for Clients that will enable Client assets to grow over time. Investing in securities, 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. TPFPG cannot provide any assurance that any investment in securities will provide positive returns over any period of time.

TPFPG's analysis of the securities it purchases and sells, relies on publicly available sources of information and assumes the information is accurate and unbiased. While we strive to determine the accuracy of the third-party information we review, the information may be incorrect and, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## 4. Underlying Fund Concentration Risk

The SDBA program 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 comprised of a single strategist which concentrates the decision and asset management decisions. This concentration 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. Pacific Financial Group, LLC (“PFG”)

PFG is an SEC registered investment adviser that is under common control with TPFPG, 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. As a result, TPFPG Clients are shareholders of the PFG Funds, as well as advisory clients of TPFPG. The receipt of investment advisory fees by PFG from the PFG Funds, and the receipt by TPFPG of Administrative Servicing fees paid by the PFG Funds, create a conflict of interest as TPFPG has an incentive to use the PFG Funds when creating model allocations.

To mitigate these conflicts, Clients that participate in the P4 or SDBA Programs are not charged any additional advisory fees by TPFPG for providing advisory services. All advisory and other fees paid to TPFPG are fully disclosed in the Client's Investment Management Agreement, the SIS, the PFG Funds' Prospectus, and TPFPG's ADV Part 2A (this Brochure) and ADV 3 (Form CRS), 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*.

### 2. The EPIC and MMS Programs

TPFPG may receive payments from Strategists in connection with making the Strategists or product available on the Platform. These payments create a conflict of interest as the amounts received by TPFPG provide an incentive for TPFPG to make available those Strategists and Products based on the fees received. To mitigate these conflicts of interest, TPFPG uses these payments to reduce the Platform Fee paid by the Client so that TPFPG does not receive more as a result of the payments made. Any conflict is further mitigated in that the Client in consultation with the Client's Adviser, and not TPFPG is ultimately responsible for the selection of securities to be allocated to an account. For additional information about these fees, the resulting conflict of interest and mitigation of the conflict, see *Item 5. Fees and Compensation*.

### **3. RiskPro® and ProTools, Inc.**

ProTools, Inc. (“ProTools”) is a technology company that is under common control with TPFPG, 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, as a technology resource used by TPFPG, has an incentive to make available or promote those products that pay over those that do not creating an indirect benefit to TPFPG. These conflicts are mitigated in that TPFPG will reduce the platform fee charged by the amount received so that TPFPG does not receive more as a result of the payment. Any conflict is further mitigated in that the Client in consultation with the Client’s adviser, and not TPFPG is ultimately responsible for the selection of securities to be allocated to an account.

ProTools is also a registered investment adviser registered with the state of California. The ProTools RIA does not provide investment advice to TPFPG or any of its clients and does not receive any compensation except when providing RiskPro as described above.

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

### **1. Code of Ethics**

TPFPG has adopted a Code of Ethics (“Code”) designed to ensure that all TPFPG employees and Investment Adviser Representatives (“IARs”) (collectively “Employees”):(i) conduct themselves with integrity at all times; (ii) place the interests of Clients ahead of the interests of TPFPG 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 es. 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, TPFPG 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 TPFPG’s Code of Ethics, please contact TPFPG’s Compliance Department by telephone at (800) 735-7199 or by email at [Compliance@TPFPG.com](mailto:Compliance@TPFPG.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 will at all times act in accordance with the Code’s 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 attestation. Through this process, conflicts between Employees and the investment management provided to Clients can be detected, mitigated, or 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, 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 Programs, the Client selects the custodian that will provide brokerage and custodial services for the Client Account. For the SDBA, CRO and VAO Programs, brokerage services are provided by the particular retirement plan or annuity company (the "Sponsor"). 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 custodian, nor does it share in any of the fees assessed. All costs assessed by the custodian for brokerage services are separate and distinct from any fees assessed or charged by any of the Programs or services provided by 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 through the selected custodian. 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 the same securities that are taking place at the same time at the custodian. When aggregating trades, Clients will receive the average price of all trades across all Accounts 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, without cost, support services and/or products that support TPFG in servicing Clients whose accounts are serviced by the custodian. 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 and “Soft Dollars”**

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.

Some brokerage firms will provide payments to firms that direct securities transactions to the brokerage firm (“Soft Dollars”). Soft Dollars are used to pay for research and other account management services provided by third parties in accordance with section 28(e) of the Investment Company Act. Eligible services paid with Soft Dollars include 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

TPFG does not receive soft dollar payments from Client brokerage transactions. However, 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 from Ceros.



Accordingly, TPFG investors as shareholders of the PFG Funds indirectly pay for the soft dollars generated by the PFG Funds.

Some services paid for with Soft Dollars may be used by PFG in managing the PFG funds and by TPFG in creating models consisting of the PFG Funds as well for other products and services not using the PFG Funds (each a “Shared Service”). When using a Shared Service TPFG will pay the pro-rated amount of the cost of the service it uses with hard dollars while the PFG portion will be paid with Soft Dollars.

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

For the SDBA and P4 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 PFG Fund’s prospectus. In turn, TPFG continually monitors the Models built using the PFG Funds. The Separately Managed Account Models are also continually monitored by TPFG. For the EPIC, MMS and P4 Programs, TPFG continually monitors the Strategists and Investment Products. TPFG will make changes in its sole discretion to a Strategist or Investment Product (such as a decision to add a new Strategist or eliminate an existing Strategist) and will also implement any Model rebalancing in accordance with the mandates of the Strategist or Investment Product. However, under certain situations a plan may not grant TPFG trading authorization to manage the Account. In such situations, the account is a “non-discretionary” account whereby TPFG provides the Adviser and Client the recommended Model allocation and it is the Client’s responsibility to trade 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 ensure that Client holdings are consistent with the Client’s Risk Profile, Model selected, and any special instructions provided by the Client.

The Client’s Adviser is responsible for monitoring the Client’s financial circumstances, investment objectives and risk tolerance, and for reporting any changes to TPFG. 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.

Clients are provided quarterly performance statements in addition to the statements provided by the Account custodian. The TPFPG statements identify all transactions, holdings, values and account performance in addition to asset classes, benchmarks and fees charged. The TPFPG statements are provided as a courtesy and should not be used to substitute the statements, confirmations or other documents provided by the account custodian. Any discrepancies between the TPFPG statement and custodial statement should be directed to the custodian and/or TPFPG.

## 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 TPFPG. TPFPG 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, which sets forth the amounts and sources of fees paid to include the amount paid to the Adviser.

TPFG also receives compensation from one or more Strategists or Investment Products offered through the various TPFPG Programs. The additional compensation paid to TPFPG is paid from the Strategists' own resources and not paid from the Client's account so that the Client does not pay more. This additional compensation creates a conflict of interest in that TPFPG has an incentive to select those Strategist and products that pay additional compensation over those that do not. To mitigate these conflicts of interest, TPFPG does not promote with any form of prominence or otherwise identify which of the Strategist pay such fees so that the adviser when selecting the Strategist to be allocated to a client's account, is not induced, or otherwise influenced, to select Strategists that pay the fee over those that do not. Furthermore, TPFPG is not involved with the selection or allocation of any Strategist to a Client's account. To the extent a Strategist that pays compensation to TPFPG is selected by TPFPG under its Private Client services, TPFPG will have a conflict of interest as TPFPG will have an incentive to use the Strategists that pay the additional compensation over those that do not. To mitigate this conflict, TPFPG will not accept additional compensation from Strategists allocated to a TPFPG Private Client account. For additional information about compensation received in connection with each of TPFPG's Programs, see *Item 5. Fees and Compensation*.

## Item 15. Custody

As a matter of policy and practice, TPFPG 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, TPFPG will be deemed to have custody as a result of clients

granting TPFPG 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. Debiting of Fees**

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

### **2. Distributions and Standing Letters of Authorization (SLoA)**

When TPFPG is granted the authority to effect transactions other than trading within an account, even when authorized by the Client, TPFPG will be deemed to have custody in that the authorization permits TPFPG to withdraw funds from the Account. When facilitating transfers or distributions, TPFPG requires the client to complete and sign the qualified custodian's Standing Letter of Authorization ("SLoA") or other required documentation, 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 any month for which there is a transaction in the Account, the qualified custodian is required to send the Client a statement showing all transactions within the account during the reporting period. In addition to the purchase and sale of any securities, 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. Clients should contact TPFPG or the account custodian directly if they believe there may be an error in their statement or that an unauthorized transaction occurred.

## **Item 16. Investment Discretion**

### **1. Discretionary Accounts**

When selecting TPFPG to manage the Client's accounts, the Client enters into a discretionary Investment Management Agreement and Statement of Investment Selection which authorizes TPFPG 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 TPFPG is only authorized to execute transactions in support of the Investment Program selected. Accordingly, TPFPG 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 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 the Adviser the ability to allocate to the Client’s account one or more strategists or STMs, and the Client grants the Adviser the discretionary authority to manage, trade and modify the account allocation without first consulting with the Client. Under this situation, TPFG provides non-advisory services to the Client to assist in administering the allocation and is not a manager of the Client’s account.

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. In addition, some Introducing Firms will not permit their Advisers to act with Discretion. In such situations, TPFG will not act on the instructions of the Adviser and any provisions within the Account Application is deemed null and void (see Non-Discretionary Accounts below).

## **2. Non-Discretionary Accounts**

Under limited circumstances, a Self-Directed Brokerage Account, 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 the Client, or the Client’s Adviser, with 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 as the investment manager to the account, TPFG is not able to see any other transactional activity such as accumulated cash resulting from contributions to the account. Accordingly, 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 for 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

### Judith Cheng, Chief Investment Officer

The Pacific Financial Group, Inc.  
11811 NE 1st Street, Suite 201  
Bellevue, WA 98005  
800.735.7199 Or 425.451.7722

March 27, 2024

This brochure supplement provides information about Judith Cheng that supplements The Pacific Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact the TPFPG Compliance Department at 800.735.7199 or [Compliance@TPFG.com](mailto: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 Ms. Cheng is available of the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Item 2. Educational Background and Business Experience**

- Born: 1988

#### **Education:**

- University of British Columbia, Vancouver, BC, Canada – BA 2011
- Baruch College, New York, NY, US – Finance and Investments Certificate

#### **Business Background:**

- April 2022 – December 2022 – Vice President, Investment Platforms and Research, DWS
- June 2019 – April 2022 – Investment Strategist, BNY Mellon
- October 2016 – October 2017 – Investments Analyst and Operations, Northwestern Mutual
- January 2013 – September 2015 – Private Banking Associate, Royal Bank of Canada
- August 2011 – January 2013 – Customer Service Representative, Royal Bank of Canada

#### **Current Securities Examinations and Licenses:**

- CFA®
- CAIA®
- CIPM®

#### **Item 3. Disciplinary Information**

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

#### **Item 4. Other Business Activities**

- Ms. Cheng does not have any other business activities.

**Item 5. Additional Compensation**

- Ms. Cheng does not receive additional compensation not otherwise noted in a client's investment advisory agreement when providing services to clients.

**Item 6. Supervision**

- Ms. Cheng is supervised by TPGF's compliance department, which is headed by, Linda Hoard, Chief Compliance Officer. The CCO is responsible for implementing the Firm's policies and procedures to include the policies and procedures governing the activities of TPGF's investment adviser representatives. Supervision is conducted through periodic reviews of client activity and IAR's work product. TPGF's compliance department can be reached at 425-451-7722 or by email at [compliance@tpfg.com](mailto:compliance@tpfg.com).