



Wrap Fee Program Brochure

This brochure provides information about principals and adviser representatives of FormulaFolio Investments, LLC and this brochure supplements the FormulaFolio Investments, LLC brochure. You should have received a copy of that brochure. If you did not receive FormulaFolio Investments, LLC brochure or if you have any questions about the contents of this supplement, please contact us at:

[\(888\) 562-8880](tel:8885628880) or compliance@formulafolios.com

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about FormulaFolio Investments, LLC is available on the SEC's website at www.adviserinfo.sec.gov. FormulaFolio Investments, LLC is an SEC registered investment adviser.

Additional information about FormulaFolios is also available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply any level of skill or training.

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Item 2 – Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material changes since the last update:

No material changes since the last update.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 888-562-8880 or by email at support@formulafolios.com.

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General Program Overview

FormulaFolio Investments, LLC, (herein after referred to as “FormulaFolios”, “FFI”, “us,” “we”, and “our”) is a registered investment adviser with the Securities and Exchange Commission (“SEC”). We provide investment portfolio advice and supervisory services to our clients utilizing equities, index mutual funds, and exchange traded funds (ETFs). We allocate your assets in accordance with your specific goals, financial situation and any investment limitations you impose.

The trade name for our portfolios is “FormulaFolios” and each portfolio is built as a “FormulaFolio Custom Allocation.” We offer multiple investment portfolios, some of which are managed through application of our proprietary investment model. We also utilize outside Model Managers which are blended with FormulaFolio Strategies to create the Multi-Manager Allocation Series. Each FormulaFolio Allocation is different, and you should choose the FormulaFolio Allocation that best suits your investment goals and objectives. Our FormulaFolio accounts are discretionary; however, our discretionary authority is limited. This means that you authorize the firm to engage solely in implementing your FormulaFolio Allocation’s specific investment criteria and account rebalancing. Rebalancing is accomplished by reallocating assets to achieve original asset targets. The rebalancing process does not involve investment supervisory services.

Please keep in mind that the rebalancing process is done without regard to how long you have held the securities or various tax consequences from purchases or sells. If you are concerned about how the tax consequences would affect your unique situation, please consult a tax professional.

FormulaFolio Accounts

We use our proprietary securities screening models to determine our investment recommendations. The equities, mutual funds, and exchange traded funds (ETFs) that comprise our portfolios are chosen by a formula to help eliminate human emotion from the investing process.

Each account is established with a minimum four percent cash position, and the remaining percentage is fully invested in the selected FormulaFolio Custom Allocation. We then implement our proprietary model to identify and direct which securities to own. Throughout the course of your participation in this program, the proprietary model will dictate how long to hold each security, and when to sell. You will always be able to identify what securities you own inside your account. Your account holdings are then updated by reapplying the formula and rebalancing the account to achieve the original asset allocation on an annual basis. Each FormulaFolio Custom Allocation will only accept securities that specifically meet the qualification of our proprietary investment model. It is possible that no securities will qualify for the FormulaFolio Custom Allocation during a given period of time. This will result in an account maintaining a full cash position for a given amount of time. Since FormulaFolio Custom Allocations are derived by the application of a statistical model, it is important investors understand portfolio management decisions are made entirely via investing formulas (computer models) and not by an individual or committee.

If you decide to remove your funds from a FormulaFolio Custom Allocation, or, if you do not wish to participate in market fluctuations, you can direct us to place your funds in our money market account. However, we do not recommend this as a long-term strategy since you will be charged the standard account fees while your funds are sitting in the money market account (please see “Program Fees” section below for a detailed description of the fees associated with the FormulaFolio strategies).

A proprietary asset allocation model recommends each FormulaFolio Custom Allocation, which is entirely separate from the proprietary securities screening models. The asset allocation model helps us determine the most suitable FormulaFolio Custom Allocation based on investor financial goals, risk tolerance, and tax qualification of their accounts. This asset allocation process can be updated at any time by request to the client’s adviser. It is possible that in the future, we will decide to change an asset allocation based on economic research concerning the various formulas and portfolios. It is extremely important to understand that past performance of an investment is no indication of that investment’s future performance.

Our services are introduced in one of two ways:

(1) solicitors or (2) primary advisors with FFI as sub-advisor. We pay these solicitors and primary advisors a portion of the advisory fee we collect from clients that were referred to us by the solicitors or primary advisors.

Affiliated Registered Mutual Funds

FormulaFolios (FFI) serves as the investment advisor to the FormulaFolios US Equity Fund. The investment of the FormulaFolios US Equity Fund is long-term capital appreciation. FFI manages the FormulaFolios US Equity Fund portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Fund’s prospectus and statement of additional information, rather than on the individual needs and objectives of the FormulaFolios US Equity Fund shareholders. Prior to investing, shareholders should consider whether the investment strategy of the FormulaFolios US Equity Fund meets their investment objectives and risk tolerance. For a complete description of the investment object and risks, please refer to the FormulaFolios US Equity Fund prospectus.

The FormulaFolios US Equity Fund is a diversified series of the Northern Lights Fund Trust II, an Investment Company registered under the Investment Company Act of 1940.

FFI offers separately managed accounts and other investment fund products in addition to the funds above. Some of these offerings include portfolios of investments that are substantially identical to these funds and could create certain conflicts of interest. As the FormulaFolios US Equity Fund and any separate accounts or investment funds managed similarly to these will be managed concurrently, all transactions will be implemented according to FFI's trade allocation procedures. These procedures, among other things, ensure that all trades allocated to advisory clients fulfill the FFI's fiduciary duty to each client and otherwise allocate securities on a basis that is fair and nondiscriminatory. Such procedures are generally applied in numerous instances, including, among other things, block and bunched trades, cross transactions and private placements. In determining a fair allocation, FFI takes into account a number of factors, including, among other things, the Adviser's fiduciary duty to each client, any potential conflicts of interest, the size of the transaction, the relative size of a client's portfolio, cash available for investment, suitability as well as each client's investment objectives.

Calculation of Investment Management Fee

Account management fees are calculated monthly, in arrears, based on the value of the account on the last day of the month, prorated to the # of days the account is funded. Under some circumstances, our account management fees will be lower than this rate schedule. For example, in determining fees, rates, and minimums, we will aggregate related accounts and, for billing purposes, treat them like one account. This is done at our discretion and should not be considered the normal order of business. Other factors will include reduced fees for managing the accounts of employees and employees' immediate family members.

Billing Cycle

Account management fees will be deducted by the account custodian on a monthly basis and will appear on your official statement issued electronically by the custodian.

Fee Deduction

The custodian will deduct the fees directly from your account. The FFI quarterly statements will detail the account value upon which our fees are calculated and the amount of the fee. The statement is sent to you electronically or by mail in the month following the end of each quarter. You can object to the deduction of fees from the account by notifying us at the address or telephone numbers shown on each billing invoice. Please keep in mind that in addition to the quarterly FFI statements you receive, you will receive a detailed monthly statement from your custodian electronically or by mail.

Custodial Account Maintenance Fees, Share Prices and Ticket Charges

In addition to the fees mentioned above, you will pay an annual custodian charge on all retirement accounts (IRAs, Roth IRAs, SEP IRAs, etc.) in the amount of \$25, and other ancillary fees based upon actions you take, such as wire transfers out. The schedule of such ancillary charges is subject to change at any time and is available by logging into the custodian. We will, from time to time, amend our fees and billing procedures. Changes will become effective after 30 days prior notice.

Our fees are not based on the financial performance, capital gains or losses experienced by your account. Lower fees for comparable services (bundled or unbundled) are available from other sources. Based on the factors explained above, some clients will pay lower fees than the fees described above.

Additional Compensation

Our firm does not receive “soft dollars” from any vendor or service provider, such as an insurance company or broker-dealer, in exchange for our placement of brokerage transactions. We enter into agreements with brokerage, investment advisory, or insurance firms, which permit us to enter into solicitor agreements with the firm’s salespersons. However, the majority owner of FFI, BCM, may accept soft dollars. This does not flow through to FFI. FFI also enters into agreements with individuals, corporations, or partnerships to act as solicitors. These solicitor agreements are structured according to SEC Rule 206(4)-3 under the Investment Advisers Act of 1940. We pay referral fees to persons who solicit clients for our firm. If the individual solicitor is a registered representative of a brokerage firm, we pay the referral fees to the brokerage firm and the brokerage firm pays a substantial portion of the referral fees to the individual who referred the client to us.

Client Costs

The strategies provided in the FormulaFolios Wrap-Fee Program will either be greater or less than the client would otherwise pay if they purchased each service separately.

Serving as a Sub-Advisor to Independently Sponsored Advisory Programs

FFI will, from time to time, participate as a sub-advisor under other firms' advisory programs. A client of the other firm selects a registered investment advisor from a list of approved advisors to provide investment management service. FFI receives a fee for account management services provided to clients of an outside firm as outlined in a sub-advisory agreement. This agreement also outlines items such as the advisory services to be provided, the responsibilities of FFI and the other firm, and the terms of engagement including, but not limited to, fees and termination. Responsibilities such as collecting the clients' investment objectives, determining the strategy best suited for the clients, and communication with the clients will be the responsibility of the outside firm. FFI has no responsibility to assess the value of services provided by the outside firm; therefore, the clients should evaluate whether such a program is suitable for their needs and objectives, and whether comparable or similar services are available at a lower cost elsewhere.

ERISA Qualified Plans

In accordance with Department of Labor regulations under Section 408(b)(2) of ERISA, we are required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those retirement plans that are subject to the requirements of ERISA in assessing the reasonableness of their plan's contracts or arrangements with us, including the reasonableness of our compensation. This information (the services we provide as well as the fees) is provided to you at the outset of your relationship with us and is set forth in your advisory contract with us (including the fee table, other exhibits and, as applicable, this document), and then at least annually to the extent that there are changes.

ERISA Fiduciary Status

Depending on the agreement between FFI and the plan sponsor, pursuant to the agreed upon investment advisory contract we share either fiduciary responsibility with the plan sponsor or we are the investment manager specifically appointed to have full discretionary authority and control to make actual investment decisions in the plan.

Fee Schedules

WealthGuard™ is a tracking software used to monitor the performance / growth of a clients' portfolio, and to predetermine the amount of downside the client is willing to tolerate. It is NOT an actual stop-loss and will NOT sell the individual securities in the portfolio. WealthGuard™ offers the client notification with no further action, unless directed by the client.

Should the client choose to liquidate the portfolio into cash, there is no guarantee the exact WealthGuard™ value will be captured, nor that the assets will be sold the very same day.

WealthGuard™ is provided at no cost to the investor.

Portfolio and Supervisory Services

Fees for portfolio and supervisory services, including most transactional charges, will be a percentage of assets under management. These account management fees will be calculated, accrued and due monthly in arrears. The account management fees for portfolio advice and supervisory services are calculated and billed in U.S. dollars as follows:

Multi-Manager, Dynamic Allocation, and FF Series

Asset Based Pricing Schedule

AUM	FormulaFolios Mgmt. Fee
First <\$250,000	0.90%
Next \$250,001 - \$500,000	0.85%
Next \$500,001 - \$1,000,000	0.80%
Next \$1,000,001 - \$2,000,000	0.70%
Next >\$2,000,001	Please contact FormulaFolios

Core Satellite Allocation Series

Asset Based Pricing Schedule

AUM	FormulaFolios Mgmt. Fee
First <\$500,000	0.70%
Next \$500,000 - \$1,000,000	0.65%
Next >\$1,000,001	0.60%

*For FF Allocations (allocations of proprietary only strategies) the above fee schedule is used but with 0.15% reductions for each account size level.

Non-Managed & Non-Discretionary Accounts

For all accounts non-discretionary, non-managed accounts (non-asset billed) there is an annual fee of \$50 for administrative services. For all managed accounts, there is an annual administrative fee of \$50. This fee applies on accounts that have balances of less than \$100,000 at the end of a billing cycle. This fee can be waived at the discretion of the firm.

Advisory Fees for Sub-Advisory Relationships

Fees and payment arrangements are negotiable and will vary on a case by case basis.

FFI provides investment management services as a sub-advisor to certain accounts. An investor can engage an independent investment advisor ("primary advisor") which in turn engages FFI to provide portfolio management services to all or part of such investor's portfolio. In this situation, FFI will typically receive a fee charged as a percentage of assets sub-advised by FFI, typically ranging from 0.10% to 0.80% of the assets sub-advised by FFI. Such fees are generally charged by directly debiting the end-investor's custodial accounts. Clients should contact their primary advisor for more information relating to the deduction of fees from their accounts. The specific manner of account fee debit and payment to primary advisor will be detailed in the sub-advisory agreement. End investors should refer to the primary advisor's disclosure documents for full information on the primary advisor's advisory services.

Mutual Fund and ETF Fees and Expenses in Addition to Our Investment Management Fees

In addition to investing in individual securities, our investment strategies include investing in various mutual funds, or exchange traded funds ("ETFs"), which typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees are in addition to our fees and will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, clients pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or your representative can provide it upon request.

Consequently, for any type of mutual fund or ETF investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally, most funds are purchased directly, without using our services and without incurring our advisory fees. Also, many mutual funds offer share classes that pay shareholder servicing fees (12b-1 fees) to brokerage firms and their registered representatives in consideration of their services to the fund's shareholders.

Additionally, mutual funds typically offer various share classes of the same fund that will have different levels of fees and expenses and depending on a variety of factors clients are eligible to invest in them and pay lower fees.

Use of Our Affiliated Mutual Funds and ETFs

When FormulaFolios invests assets in your account in shares of our affiliated mutual funds and ETFs, you are subject to those funds' internal management fees and other expenses in addition to the annual management fee you pay us for advisory services. This additional compensation that we earn from the internal management fees on our proprietary funds creates a conflict of

interest by incentivizing us to use our funds instead of unaffiliated mutual funds and ETFs. We seek to mitigate this conflict of interest by disclosing this additional compensation to you and providing advisory fee discounts, which together help ensure transparent and fair pricing to our clients. See the fee discount chart noted. Specific management fee and related expense information can be found in the prospectus and other offering documents as noted in the previous section.

We want clients to understand that our funds were created and added to various models in order to help offset transaction costs of investing in individual stocks, as well as to seek to achieve greater conformity with the desired target weights for each individual stock in a given model. FormulaFolios is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients. Portfolio holdings are monitored to ensure they are consistent with the client's objectives and representatives are not incited to direct client investments to models that have a higher percentage of assets in our proprietary funds.

Item 5 – Account Requirements and Types of Clients

FormulaFolios generally provides investment advice to individuals, trusts, estates, charitable organizations and corporations. There is no minimum account size required. Prior to engaging in services with FormulaFolios, the client will enter into a written agreement setting forth the terms and conditions under which the firm shall render its services.

Item 6 – Portfolio Manager Selection and Evaluation

Manager Selection

Mr. Derek Prusa, Senior Market Analyst of FormulaFolio Investments, LLC, heads our quantitative investment management team.

The quantitative investment management team is directly responsible for the review, due-diligence, and inclusion into the FormulaFolios Wrap-Fee Program.

When vetting new managers, the following criteria is considered for induction into the program:

- Track Record
- Volatility
- Methodology
- Tenure
- Education
- Assets Under Management
- Relative Cost

If, after meeting all of our requirements, the manager is inducted into the program, FormulaFolio Investments continues to monitor the performance of all Model Managers to make certain they are continually providing the performance and value for which they were selected.

Model Manager Allocation Changes

The performance returns of the selected Model Managers are monitored by FormulaFolio Investments. At FormulaFolios' discretion, a Model Manager who is under-performing can be eliminated from the platform. In the event that a Model Manager needs to be replaced, FormulaFolio Investments has the sole discretion to hire a new Model Manager and adjust the weighting of the allocation accordingly.

When hiring selected Model Managers, we utilize the performance numbers provided to us by said manager and other third-party reporting sources.

Portfolio Managers

In addition to hiring outside Model Managers, FormulaFolio Investments runs its own proprietary models. A client's assets in one these allocations can be managed solely by FormulaFolio Investments. A lower client fee is charged for allocations using only FormulaFolio Investments. We recognize that this will create a conflict of interest. We try to mitigate this conflict of interest by using proprietary proposal system and allowing Financial Professionals who are part of the program to make the proper recommendations based off of the client's suitability and financial situation. FormulaFolio Investments is committed to the fiduciary standard which adheres us to make decisions in the client's best interest before our own. FormulaFolios strives to provide a high standard of satisfaction to both financial professional and clients.

Methods of Analysis

As stated above, we use our proprietary asset allocation model in addition to our proprietary securities screening model to build a FormulaFolio Custom Allocation for each client. Using the proprietary models, we follow a formulaic process to help eliminate human emotion and automate the investing process. The asset allocation, equities, mutual funds, and ETFs that comprise our portfolios are chosen by a proprietary model and not by an individual or committee.

Related Persons Disclosure

FormulaFolio Investments acts as both the portfolio manager for all accounts as well as the Wrap Fee Program Sponsor. This creates a potential conflict of interest because outside money managers are not considered as part of client portfolios.

Item 7 – Client Information Provided to Portfolio Managers

Financial Professionals who act as solicitors on behalf of FFI or primary advisors in a sub-advisory relationship with FFI will be required to identify the financial situation and suitability of the client in order to implement the appropriate allocation selection. With that being said, financial professionals and primary advisors will need to gather information related to a client's net worth, risk tolerance, time horizon, income distribution requirements. The client's financial professional or primary advisor should review these items on an annual basis and immediately notify FormulaFolio Investments if any changes have occurred that will directly impact the client's allocation.

Item 8 – Client Contact with Portfolio Managers

Clients primary contact will be the financial- advisor solicitor or primary-advisor. However, should a client wish to contact the Portfolio Manager they are welcome to do so via email at support@formulafolios.com or via telephone at 888-562-8880. In the case of outside Model Manages, FormulaFolios will serve as the line of communication between the client and the Model Manager.

Item 9 – Additional Information

Disciplinary Information

FormulaFolio Investments is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. FormulaFolio Investments does not have any required disclosures to this Item.

Other Financial Industry Activities and Affiliations

FormulaFolio Investments is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

The majority owner of FormulaFolios Investments, LLC, is Brookstone Capital Management, LLC, an SEC registered investment advisor located in Wheaton, IL. Brookstone is affiliated, through common ownership, with insurance marketing organizations (IMOs) Brookstone Insurance Group and AL Marketing, LLC (AmeriLife). Some FormulaFolio advisors may use Brookstone Insurance Group or other IMOs, to process insurance, including life, fixed annuities or fixed index annuities. Using any IMO including Brookstone Insurance Group is optional for advisors and FormulaFolios is not involved in those insurance sales. FormulaFolios advisors may receive commission based compensation for the sale of insurance and annuity products.

Nadim "Dean" Zayed

Mr. Zayed is the Chief Executive Officer Mr. Zayed is a principal and owner of Prizm Financial Advisors, Inc. (PFA). PFA is the corporation name of the entity that Mr. Zayed uses for his personal clients including financial planning, investments, insurance and tax planning. Additionally, Mr. Zayed is a shareholder in the law firm of Perkins & Zayed, PC. As mentioned in the Services We Offer section above, Brookstone recommends the services of Perkins & Zayed, PC for implementation of estate planning recommendations made by Brookstone. This arrangement is disclosed by Brookstone as part of the client's agreement and by delivery of this Brochure. Should a client elect to utilize Perkins & Zayed, PC for estate planning services, the client will be required to enter into a separate written agreement for such services, and pay applicable legal fees. Clients should be aware that any applicable legal fees will be in addition to and separate from the financial planning fees incurred for services as outlined in the Financial Planning Agreement. Mr. Zayed will also receive individual compensation in the form of profits due to his role as a shareholder in Perkins & Zayed, PC. This could create a conflict of interest in that Mr. Zayed, through Brookstone, may have a financial incentive to recommend Perkins & Zayed, PC for estate planning services. The Client has the sole responsibility for determining whether to implement any such recommendations made by Brookstone, and which outside counsel to use for such services.

Brookstone has a partnership with Axos Bank which offers only FDIC insured products. If an IAR of Brookstone refers a client to Axos Bank for banking services, he or she may earn a fee for such referral.

Jason Wenk

Jason Wenk is an Executive Director of Brookstone. he is CEO/Shareholder of Altruist Corporation and Altruist Financial Services, LLC.

Jason Crump

Jason Crump is the Vice President and Relationship Manager and is a licensed life insurance agent.

Joel VanWoerkom

Joel VanWoerkom is the Vice President of Operations and a licensed life insurance agent.

Code of Ethics

FormulaFolio Investments and persons associated with FormulaFolio Investments (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with FormulaFolio Investment’s policies and procedures.

FormulaFolio Investments has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non- public information by FormulaFolio Investments or any of its associated persons. The Code of Ethics also requires that certain of FormulaFolio Investment’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in FormulaFolio Investment’s Code of Ethics, none of FormulaFolio Investment’s Access Persons can buy or sell for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household) any security that is actively purchased or sold, or is considered for purchase or sale, on behalf of any of FormulaFolio Investment’s clients. Access Persons are allowed to buy or sell such securities only after FFI has sold or purchased or chosen not to sell or purchase such securities.

These requirements are not applicable to:

- direct obligations of the Government of the United States;
- money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements;
- shares issued by mutual funds or money market funds; and
- shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients can obtain FormulaFolio Investments' Code of Ethics by contacting the FFI Compliance Department.

FFI, its officers, directors, employees or other Access Persons can purchase the same or similar securities for the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio at the same time as it affects transactions for other clients. A conflict of interest could arise should FFI or the persons listed above trade before other FFI clients. FFI has written policies and procedures to address this conflict of interest.

Voting Client Securities

FormulaFolio Investments is required to disclose if it accepts authority to vote client securities. FormulaFolio Investments does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions.

FFI does not vote proxies on behalf of clients. As it pertains to the FormulaFolios US Equity Fund, FFI has been delegated proxy voting

responsibility by the Board of Trustees for proxies solicited on the securities held in the Funds' portfolios. As a matter of policy and as a fiduciary, FFI has responsibility for voting proxies for portfolios securities consistent with the best economic interests of the Funds, Portfolios and clients. The proxy policies and a records of each proxy voted by FFI on behalf of the portfolio including a report on the resolution of all proxies identified by FFI as involving a conflict of interest will be presented to the Board of Trustees at least annually.

Information regarding how proxies are voted is outlined in each prospectus and statement of additional information. Clients can obtain a copy of our complete proxy voting policies and procedures by contacting the main number on the cover page of this disclosure brochure

Review of Accounts

FormulaFolio Investments monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of FormulaFolio Investment's investment advisor representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep FormulaFolio Investments informed of any changes thereto. FormulaFolio Investments contacts ongoing investment advisory clients at least annually to review its previous services or recommendations and to discuss the impact resulting from any changes in the client's financial situation or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients also receive a report from FormulaFolio Investments that includes such relevant account or market- related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from FormulaFolio Investments. As requested by the client, the firm will furnish a supporting schedule for capital gains and losses realized in the account for the year.

Participation or Interest in Client Transactions

FormulaFolio Investments and persons associated with FormulaFolio Investments ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with FormulaFolio Investment's policies and procedures.

FormulaFolio Investments has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non- public information by FormulaFolio Investments or any of its associated persons. The Code of Ethics also requires that certain of FormulaFolio Investment's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in FormulaFolio Investment's Code of Ethics, none of FormulaFolio Investment's Access Persons can effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for

purchase or sale, on behalf of any of FormulaFolio Investment's clients. When FormulaFolio Investments is purchasing or considering for purchase any security on behalf of a client, no Access Person can affect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when FormulaFolio Investments is selling or considering the sale of any security on behalf of a client, no Access Person can affect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Client Referrals, Sub-Advisory Arrangements and Other Compensation

FormulaFolio Investments receives economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed.

In addition, FormulaFolio Investments is required to disclose any direct or indirect compensation that it provides for client referrals. If a client is introduced to FormulaFolio Investments by either an unaffiliated or an affiliated solicitor, FormulaFolio Investments pays that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from FormulaFolio Investment's investment management fee and does not result in any additional charge to the client. If the client is introduced to FormulaFolio Investments by an unaffiliated solicitor, the solicitor provides the client with a copy of FormulaFolio Investment's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of FormulaFolio Investments discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of FormulaFolio Investment's written disclosure brochure at the time of the solicitation. This paragraph also applies to primary investors in a sub-advisory agreement with FFI, wherein clients remain the client of the primary advisor and FFI manages the client's accounts for an advisory fee.