

INDEPENDENT FINANCIAL GROUP CRS SUPPLEMENT

REGULATION BEST INTEREST DISCLOSURES

When an individual affiliated with IFG provides you with a recommendation as your registered representative or acts as your investment advisor representative, both the individual and IFG must act in your best interest and not put their interests ahead of yours. This includes the following types of brokerage-related services:

- Individual securities transactions or a series of transactions;
- Investment strategies involving securities, including account types;
- IRA rollovers; and
- Taking a retirement plan distribution for the purpose of opening a securities account.

IFG will provide disclosures that describe the services offered, related program fees, additional compensation received by IFG and conflicts of interest.

OVERVIEW OF SERVICES OFFERED

IFG offers both brokerage and advisory services. There are several differences between brokerage and advisory services, and it is important for you to understand that IFG's brokerage and investment advisory services are separate and distinct. Depending on your needs and investment objectives, you may have brokerage accounts, advisory accounts, or both. IFG wants you to be informed of the differences between these types of services so you can choose the services and accounts that are right for you. IFG encourages you to ask questions so you completely understand the capacity in which IFG is acting as well as the differences between brokerage and advisory services.

Brokerage Services. As a broker-dealer, IFG facilitates the routing of securities transactions for execution on your behalf. In addition to routing your orders for execution, IFG provides various services through our registered representatives including investment education, research, and recommendations whether to buy or sell certain investments. There are no additional charges for these services since they are considered incidental to brokerage services IFG provides; however, IFG is compensated for the execution/facilitation of these transactions conducted in commission-based accounts. IFG is held to the standards under applicable federal and state securities laws, rules and regulations and the rules of our self-regulatory organization, FINRA. Among other things, these regulations require broker-dealers to:

- Execute trades with diligence and competence and seeks to provide best execution in light of prevailing market conditions;
- Have reasonable grounds for believing that any recommendation provided to you is in your best interest given your investment objectives, risk tolerance, financial, tax status and other financial information you have disclosed to us.

Your registered representative does not have the discretion to buy or sell securities for you without your approval. This means that you make the decision to buy or sell before the trade is placed. If your registered representative recommends that you buy or sell a security, they must have a reasonable basis for believing their recommendation is in your best interest. IFG does not provide ongoing monitoring of your retail account.

IFG and our financial professionals act in the capacities of broker-dealer and registered representatives respectively for commission-based accounts held directly with an outside custodian/sponsor as well as commission-based accounts held through our clearing firm, Pershing LLC ("Pershing"), that have an account number that begin with 5HQ.

Investment Advisory Services. As a Registered Investment Advisor ("RIA"), IFG provides access to a variety of investment advisory programs and services through our Investment Advisor Representatives ("IARs") for a set fee or a set percentage of the value of the assets under management. Services include financial planning, discretionary and non-discretionary asset management, and the ability to utilize third party asset managers. When IFG acts as an RIA, IFG has a fiduciary duty to act in your best interest and will enter into a written agreement with you that acknowledges our advisory relationship and our obligations to you. Investment advisory services are limited strictly to those accounts for which you have entered into an advisory agreement with IFG. The fact that IFG serves as RIA for some of your accounts does not mean that IFG is under any obligation to provide investment advisory services for other accounts you may have, either at IFG or with another financial institution. In an advisory relationship, IFG is obligated to:

- Ensure that investment advisory services are suited to your specific investment objectives, needs and circumstances; and
- Not unfairly advantage one advisory client to the disadvantage of another.

IFG and our financial professionals act in the capacities of RIA and IARs respectively for advisory accounts. In cases where the advisory account is held through Pershing, IFG and your representative are acting in a dual capacity where IFG is both the broker-dealer and the RIA and the financial professional is the IAR on the account. In cases where the advisory account is not held through Pershing, IFG acts only in the capacity of the RIA and the financial professional acts only in the capacity of the IAR.

Direct Business. Under certain instances, your financial professional can recommend products or services (including but not limited to Variable Annuities, Mutual Funds, Alternative Investments) where, in addition to this Account, you also have an account directly with the sponsor. These types of products and services are generally sold under an offering memorandum such as a prospectus. The associated fees and costs can be found in the sponsor's offering documents.

FEES AND COSTS

Charges for Brokerage-Related Services. The costs for brokerage services are typically transaction-related and include a per trade/investment commission or mark-up/mark-down. Other fees, costs and charges as outlined by your registered representative or as disclosed by the custodian/sponsor or clearing firm will also apply.

Fees and Charges for Advisory Services. Typically, advisory fees will be done for a set fee or based on a percentage of the assets under management (AUM). This fee is annual and is calculated on a quarterly basis and is billed either in arrears or in advance as noted in the advisory agreement. Depending on the program, the fee may or may not include brokerage transaction charges. Please see the appropriate brochure for the services you are receiving (ADV Part 2A, ADV Part 2A-Appendix 1 (WRAP Program) or Retirement Plan Service Brochure) for additional information regarding applicable costs, fees, and charges.

Account and Transaction-Related Fees and Costs. Please refer to the Pershing fee schedule posted on the Reg BI Investor page of the IFG website at www.ifgsd.com/reg-bi-investor for additional account and transactional-related fee information. IFG can change the fees and charges at its sole discretion without notice.

Product-Related Fees and Costs. Certain products have costs in addition to the fees and costs outlined above. Please refer to the product-specific offering documents for more information.

SCOPE OF SERVICE

Our financial professionals will make recommendations by considering your investment profile, including but not limited to your stated investment objective, time horizon, risk tolerance, risks, rewards, and costs to assist you in meeting your financial goals. All investment decisions involve risk and the possibility that your investment will not increase in value and can lose value. Often, higher returns are associated with higher risk investments, while lower risk investments generally offer lower returns. Investing involves risks including, but not limited to, market and economic fluctuations that can have a substantial negative effect on the value of the investments.

IFG does not offer proprietary products, hold product-specific contests, or offer product-specific incentives.

Some of our financial professionals may have minimum account sizes. If so, they will advise you of any such minimums.

CONFLICTS OF INTERESTS AND ADDITIONAL COMPENSATION

Recommendations inherently have conflicts of interests. A conflict can arise as the result of the compensation financial professionals receive on specific investments or advisory services, or from the compensation IFG receives from third party providers as the result of your purchase of products, advisory or retirement plan services. It is important that you understand these potential conflicts of interest so that you can make an informed decision before investing.

Transaction and Brokerage-Related Compensation. The commission or mark-up/mark-down charged per transaction in your account creates an incentive to encourage you to trade often. In addition, securities products have different commission schedules that vary by investment type. Therefore, your financial professional has an incentive to recommend products that pay higher commissions over another product that may pay a lower commission.

Investment Advisory-Related Compensation. The advisory fee charged in your advisory account creates an incentive for IFG and your financial professional to encourage you to increase the amount of assets in your advisory account. For financial planning clients, because IFG and your financial professional receives compensation for product and/or services recommended in a financial plan that are purchased through IFG, there is an incentive to recommend that you purchase certain products and/or services as part of your financial plan.

Third Party Payments and Revenue Sharing. IFG receives payments from certain third parties for participation in events, conferences, seminars, marketing, or training hosted by the Firm. Not all sponsors participate at the same level and participation is voluntary. In addition, IFG receives additional compensation from certain product sponsors and Third Party Money Managers under solicitor or other revenue sharing agreements. Our financial professionals do not receive a greater commission or fee for sales of these products or services; however, from time to time they are invited to participate in marketing and/or educational activities paid for by the sponsor or they may host an event where the sponsor pays for all of part of the expenses. This could lead them to focus on sales of these products when making recommendations. In addition, this arrangement allows sponsors to have greater access to our financial professionals to provide educational and training opportunities. More information regarding the entities that make these payments can be viewed on the Firm's website (www.ifgsd.com/reg-bi-investor) or requested by email to compliance@ifgsd.com.

Revenue Sharing with Pershing LLC. IFG has a clearing relationship with Pershing where IFG is responsible for the introduction of certain retail brokerage and investment advisory accounts. In return for servicing the accounts, Pershing shares revenue generated from these accounts with IFG through various forms including, but not limited to, mark-ups on transactions, interest on funds awaiting reinvestment or from margin loans, and other account and transaction-related fees. This revenue sharing agreement is customary within the industry and is reasonable given the nature of the relationship.

Cash Account Terms. Generally, cash accounts are subject, at IFG's discretion, to interest on any debit balances resulting from failure to make payment in full for securities purchased, failure to timely deliver securities sold, or other instances that result in a debit balance in the Account. Brokerage accounts will be automatically coded to sweep cash balances into the Dreyfus Insured Deposit Program ("DID"). Clients should read the DID brochure/prospectus for more information. IFG earns a higher fee from client participation in DID than if they invested in other money markets. Consult your financial professional for other resources where cash awaiting reinvestment can be held.

ADDITIONAL DISCLOSURES

Payment for Order Flow. U.S. Securities and Exchange Commission ("SEC") Rule 11Ac1-6 requires IFG to publicly disclose its equity and option order routing practices. The Firm directs all trades in over-the-counter ("OTC"), listed stock, and options to Pershing for execution. IFG does not receive compensation for directing this order flow to Pershing.

Quality of Execution. Consistent with the governing principle of best execution, the designated market makers to whom orders are automatically routed are selected by Pershing based on the consistently high quality of their executions in one or more market segments and their history of seeking price improvements. Pershing regularly publishes reports for quality of execution purposes. To view the most recent quarterly report, go to www.orderroutingdisclosure.com. Enter: INDEPENDENT FINANCIAL GROUP LLC (exactly as it appears here) and click on "GO".

QUESTIONS OR CONCERNS

Questions or concerns regarding the handling of your Account should be directed to your financial professional or IFG's Compliance Department (via email to compliance@ifgsd.com). For more information regarding our Regulation Best Interest disclosures, visit www.ifgsd.com/reg-bi-investor.