

HFG Advisors, Inc.

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Disclosure Brochure

March 2023

This brochure provides information about the qualifications and business practices of HFG Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 269.372.3229. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

HFG Advisors, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine whether to hire or retain that adviser.

Additional information about HFG Advisors, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2: Material Changes

Since our last annual amendment filing on 3/30/2022, HFG Advisors, Inc. has the following material changes to disclose.

Our firm has clarified that we do not use options as an Investment Strategy. Please see Item 8 of this brochure for more information into the types of Investment Strategies we use.

A copy of our current brochure may be obtained by contacting Daniel Youngs, President, by phone at 269.372.3229 or by e-mail at dyoungs@fscadvisor.com. We will provide you with a copy of our current brochure at any time without charge.

Additional information about us and about persons affiliated with us who are registered as our investment adviser representatives (“your advisory representative”) is also available via the SEC’s website, at www.adviserinfo.sec.gov.

Information regarding your advisory representative can also be found in the supplement to this brochure.

HFG Advisors, Inc.

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Item 4: Advisory Business

HFG Advisors, Inc. (“HFG”), located in Kalamazoo, Michigan, is a corporation organized under the laws of the State of Michigan. Daniel Youngs founded HFG in 1987 and is our sole principal owner. HFG is registered as an investment adviser with the State of Michigan.

Investment Advisory Services

We provide comprehensive investment advisory services tailored to your specific objectives and risk tolerances. We construct a diversified investment portfolio for you with a long-term “buy and hold” emphasis rather than a focus on short-term trading.

Your investment account is created using a variety of investments, including but not limited to, equities, bonds, mutual funds, exchange traded funds (“ETFs”) and other alternative investments. The specific investments purchased for your account are selected based on a variety of factors, including (among others) your specific investment objectives, risk tolerances, investment time horizon, and tax bracket.

You should notify us promptly if there are any changes in your financial situation, investment objectives, or risk tolerances, or if you wish to impose any reasonable restrictions upon the management of your account.

We manage your account on a discretionary basis, meaning that we are authorized to effect transactions for your account without obtaining your prior approval for each individual transaction.

Custodial services for your managed account will be offered through FSC Securities Corp. custodied at Pershing, LLC or through Charles Schwab & Co., Inc.

Assets Under Management

As of December 31st. 2022 we managed approximately \$51,072,149 in client assets on a discretionary basis (where we made all of the investment decisions). We managed approximately \$13,294,052 in client assets on a non-discretionary basis (where our clients made the investment decisions based upon our recommendations).

Third Party Investment Advisory Services

Our firm utilizes the sub-advisory services of a third party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered. Our firm will not offer advice on any specific securities or other investments in connection with this service. We will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of a third party money manager, our firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money manager reports provided to the client at least annually. Our firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Some of the other relevant information considered in recommending a third-party investment manager include (but are not limited to):

- your preference for certain types of investments or investment strategies;
- your investment time horizon;
- the size and composition of your investment account;
- your tax considerations;
- our prior experience with and preferences for particular investment managers;
- the fees charged by the investment manager; and
- the experience and capabilities of the investment manager.

Vision2020 Wealth Management Platform – SMA And UMA Program

The Wealth Management Platform – SMA and UMA Account Program (“Wealth Managed Account Program” or “WMAP”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMAP is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMAP asset allocation model (“WMAP Model”) for your approval which will consist of: 1) third party money managers (“WMAP Managers”) who will manage your WMAP account according to a particular equity or fixed

income model or strategy, or 2) no-load mutual funds (“Funds”), or 3) ETFs or any combination thereof (individually or collectively, “WMAPI Investments”). WMAPI Investments will be managed according to the selected WMAPI Model. WMAPI Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

We will suggest a WMAPI Model to you based on your responses to a Questionnaire and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMAPI account.

For further WMAPI details, please see the WMAPI Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAPI. Please read it thoroughly before investing.

Financial Planning Services

We provide financial planning services that seek to address a variety of areas specific to your personal circumstances, including:

- asset protection,
- tax planning,
- business succession,
- strategies for exercising stock options,
- cash flow,
- education planning,
- estate planning and wealth transfer,
- charitable gifting,
- long-term care and disability planning,
- retirement planning,
- insurance planning,
- asset allocation comparisons, and
- risk management.

The financial planning services to be provided to you will be outlined on the client agreement you sign with us.

The preparation of a financial plan requires that you provide us with detailed personal financial data about you and your family.

Should you choose to implement the recommendations contained in our financial plan, we suggest you work closely with your attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at your discretion.

Item 5: Fees and Compensation

We offer all of our services on a fee-only basis. Unless otherwise noted in writing, our firm bills on cash.

Fees for Investment Advisory Services

Our fee is calculated based upon the market value of the investment assets in your account on the last day of the previous quarter.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/ broker-dealer”). Your custodian/broker-dealer determines the values of the assets in your portfolio. Your custodian/broker-dealer for our Investment Advisory services will either be Charles Schwab & Co., Inc.(“Schwab”) or FSC Securities Corp. custodied at Pershing, LLC.

Our fee schedule for our Investment Advisory services is described below:

<u>Assets under Management</u>	<u>Advisory Fee¹</u>
\$0 to \$500,000	1.75%
\$500,001 to \$1,000,000	1.50%
Over \$1,000,000	Not to exceed 1.50%

¹All fees are negotiable at our sole discretion.

We require that you authorize us to have the custodian/broker-dealer for your account pay us directly by charging your account for our investment management fees. This authorization must be provided by you in writing. One-fourth of our fee is charged each calendar quarter.

Clients with Assets Custodied at Pershing

Fees for Investment Advisory services provided to Clients with assets custodied at Pershing, LLC will be charged quarterly in arrears based on the time-weighted daily average of the preceding quarter.

Clients with Assets Custodied at Schwab & SEI: Wealth and Investment Management Solutions

Fees for Investment Advisory services provided to Clients with assets custodied at Schwab or SEI will be charged quarterly in arrears based on the value of the account(s) on the last day of the quarter.

Fees for Investment Advisory services are generally negotiable and will be deducted from the client account(s) regardless of where the assets are custodied.

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

You should compare the statement we send you with the statements you receive from your custodian/broker-dealer and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments will not be part of our advisory relationship with you. This means that they will not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled "Item 12 Brokerage Practices," which follows later in this brochure.

Fees for Third Party Investment Management Services

The maximum annual fee charged to clients utilizing Third Party Managers may exceed the maximum fee published above for Investment Advisory services. Our firm will debit fees for this service as disclosed in the executed advisory agreement between the client and our firm. This fee shall be in addition to any fees assessed by the chosen

third-party money manager. The third-party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them. Third party money managers establish and maintain their own separate billing processes over which we have no control. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

Vision2020 Wealth Management Platform – SMA and UMA program

Clients placed in the Vision2020 SMA and/or UMA Program will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received. Fees charged for SMA and/or UMA program accounts are separate from the advisory fee paid to our firm for Investment Advisory services.

Additional, ancillary fees may apply. Please see the Model Managed Portfolios Program Brochure for further details.

Fees for Financial Planning Services

Our fees for financial planning are determined either on an hourly basis or as a fixed fee. Our hourly rate is \$150 per hour. Our fixed fee ranges from \$200 to \$5,000, depending on the complexity of your financial situation. All financial planning fees are negotiable at our discretion. Similar financial planning services may be available elsewhere for a lower cost.

Hourly financial planning fees are billed on a monthly basis. An estimate of the time to prepare your financial plan will be provided before you execute our advisory agreement.

You are required to pay us one-half of our fixed price financial planning fee at the time we enter into an advisory relationship. The remainder of our fee is due upon completion of our financial plan. We do not collect \$500 or more per client six months or more in advance.

Our advisory representatives are also registered representatives and investment advisory representatives of FSC Securities Corporation (“FSC”), a registered broker/dealer that

is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). FSC is also a registered investment adviser. We are not affiliated in any way with FSC.

When you receive financial planning services you may also purchase securities or insurance products offered through FSC pursuant to the plan or consultation. Members of our Firm may receive commissions as Registered Representatives of FSC or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our Firm receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Other Types of Fees & Expenses

In addition to our advisory fee and any third-party advisory fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- internal fees and expenses charged by mutual funds or ETFs, and
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or shared with us.

Clients will incur transaction fees for trades executed by their chosen custodian, either based on a percentage of the dollar amount of assets in the account(s) or via individual transaction charges. These transaction fees are separate from our firm’s advisory fees and will be disclosed by the chosen custodian. Charles Schwab & Co., Inc. (“Schwab”) does not charge transaction fees for U.S. listed equities and exchange traded funds.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before making or authorizing any investments. We are available to answer any questions you have about fees and expenses. If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged

if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Advisor Managed Portfolios will be assessed separate transaction charges. As such, in addition to the quarterly account fee described above for advisory services and the advanced quarterly fee for establishing an account within the Advisor Managed Portfolio Program, you will also pay separate per-trade transaction charges.

In the Advisor Managed Portfolios account in addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to FSC and our custodian. Please see Item 10 which explains our relationship with FSC.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of FSC and as licensed insurance agents. We will

receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

The arrangements noted above present conflicts of interest because they create a potential incentive to our advisory representatives to make recommendations based upon the amount of compensation we might receive rather than based upon your needs.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer. We will explain to you the specific costs associated with any of these investments, investment management programs, or insurance products upon request.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

Termination & Refunds

Should either of us terminate our advisory relationship within five (5) business days from the date an advisory agreement was executed, we will provide you with a full refund of any fees paid.

Either party may terminate the advisory agreement signed with our firm for Investment Advisory services in writing at any time. Upon notice of termination pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

Financial Planning and Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly rate of \$150 per hour. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party may terminate the sub-advisory agreement signed with the selected sub-advisor in writing at any time. For information regarding refunds and pro-rata advisory fees, Clients are encouraged to discuss with the selected sub-advisor.

Clients placed in Advisor Managed Portfolio Program accounts can terminate the account in writing at any time. Upon termination of the account, the account fee will be credited back to the Client on a pro-rata basis for the unused portion of the quarter.

Item 6: Performance-Based Fees and Side By Side Management

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments.

We do not charge performance-based fees on any of our client accounts.

Item 7: Types of Clients

We provide advisory services to high net worth individuals and individuals; including their trusts, estates and retirement accounts.

Our firm does not require a minimum account balance to engage us for our services. It is our firm's sole discretion to on-board a client. The fees and account balance requirements will be determined on a case-by-case basis. Some sub-advisory services our firm utilizes require a minimum account balance of \$5,500 which cannot be waived by our firm.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

We select specific investments for your account primarily through the use of fundamental analysis.

Fundamental analysis is a method of evaluating a company that has issued securities by attempting to measure the value of its underlying assets. This entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the company's securities to determine whether to purchase, sell or hold those securities.

Although we manage your portfolio in a manner consistent with your specific risk tolerance, there can be no guarantee that our efforts will be successful. General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance.

You should be prepared to bear the risk of loss. All investments bear the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

Our investment strategies may include long-term and short-term purchases and sales, trading, and the use of margin and short sales. You may place reasonable restrictions on the strategies to be employed and the types of investments to be held in your account.

Please be aware that the use of margin and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more.

In a "cash account," where you fully pay for each purchase, your risk is limited to the amount of money that you invested. In a "margin account," where you borrow money to purchase investments, your risk includes the amount of money invested plus the amount that has been loaned to you.

When you effect a "short sale," you sell an investment you do not own with the expectation that it will decrease in price so that you will be able to "cover" the short sale by buying the investment at a lower price. Because there is no limit to how much an investment can increase in value, your potential losses can be infinite.

Associated Risks

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the

future value of an investment. Data we review is generally considered reliable but we cannot guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail.

Investing in securities involves risk of loss that you should be prepared to bear.

Item 9: Disciplinary Information

We have not been the subject of any civil or criminal actions, an administrative proceeding before the SEC or any other regulatory agency, or a self-regulatory organization proceeding or other events that would be material to your evaluation of our business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

As explained under “Fees and Conditions” above, all representatives of our firm that provide advice to you (“Advisory Representatives”) are associated with FSC Securities Corp. (“FSC”) as Registered Representatives. FSC is a diversified financial services company registered with the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by FSC. All representatives are also licensed as insurance agents with various unaffiliated insurance companies. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Recommendation of Other Advisers

We may recommend that you use an unaffiliated third party asset manager (“TPAM”) based upon your needs and suitability. We share in the compensation paid to the third party asset manager for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the TPAM. Compensation paid to us by third party asset managers may vary, and therefore there may be a conflict of interest in recommending one third party asset manager over another. The fees you pay are the same as you would pay had you obtained the services directly from the TPAM.

Item 11: Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

We have adopted a *Code of Ethics* (“Code”) to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

We do not buy or sell securities for our own account that we also recommend to you. Your adviser is, however, permitted to buy or sell the same securities for his/her personal and family accounts that are bought or sold for your account. This may raise potential conflicts of interest when your adviser purchases or sells a security that is:

- owned by you or
- being considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interests,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold by you.

Item 12: Brokerage Practices

As described in “Other Financial Industry Activities and Affiliations” above, our Advisory Representatives are also Registered Representatives of FSC, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, FSC requires that all investment advisory activities that we conduct be processed through FSC’s clearing relationships with Pershing LLC (“Pershing”). We may also recommend Charles Schwab & Co., Inc. (“Schwab”) as a custodian. We are independently owned and operated and not affiliated with the custodians we recommend. Our recommendation of a specific custodian is based in part on our existing relationships, the custodian’s financial strength, reputation, breadth of investment products, the cost and quality of custody and brokerage services provided to you and our other clients and the requirements of FSC. The custodians do not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

Third party asset managers may require the use of certain custodians. Please refer to the Brokerage Practices sections of their respective brochures for more information. We may also receive economic and non-economic benefits from third-party asset managers we utilize in the form of the support products and services it makes available

to use, such as research, technology or administrative support. The availability of these products and services are not based upon us giving particular investment advice, such as buying particular securities for our clients. The total advisory fee the client pays will not be higher because we accept these benefits.

Directed Brokerage

You may direct us in writing to use a particular custodian/broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for your account with that custodian/broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances, a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular custodian/broker or dealer and other clients who do not direct us to use a particular custodian/broker or dealer.

Bunched Trading

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek the best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

Item 13: Review of Accounts

We monitor the client accounts we manage on an ongoing basis with a formal review conducted at least annually, or as agreed upon with you. We review client accounts managed by third-party investment advisers on at least a quarterly basis.

We review the accounts of financial planning as frequently as we are directed to do so by each client. We generally do so on a quarterly basis.

We try to meet with you on at least an annual basis to ensure that we have current information regarding your personal circumstances, your investment goals and objectives, and your risk tolerances.

Our account reviews focus on the consistency of your investments with your stated objectives and risk tolerances. Our reviews also consider other relevant factors such as your investment time horizons, your liquidity needs, your tax considerations, any investment restrictions you previously requested, and other circumstances unique to you.

Account reviews may also be triggered by other factors such as changes in general economic and market conditions, analyst reports, issuer news and interest rate movement.

Third Party Investment Management Services

We will regularly review the reports provided to you by any third-party investment managers that are managing assets for you. We will contact you at least annually (or more often as agreed upon with you) to review your financial situation, investment goals and objectives and risk tolerances, and the performance of the third-party investment manager to help monitor that your account is being managed in a manner consistent with your objectives.

Daniel Youngs is responsible for all reviews in his capacity as an IAR of HFG and for Advisor Managed Portfolios in his capacity as an IAR of FSC Securities.

Again, we strongly encourage you to advise us of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to help ensure that your investments and investment strategies are appropriate for you.

You will receive statements from your custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values. You will also receive performance analysis reports prepared by us which describe the returns realized on the investments in your account.

Item 14: Client Referrals and Other Compensation

We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

As discussed previously, all our Advisory Representatives are Registered Representatives of FSC. This arrangement requires us to offer you advisory services and programs sponsored or approved by FSC. FSC sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, FSC may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that FSC sponsors which may be more expensive for us to use.

In addition, FSC offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by FSC. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

As noted above in Items 5 and 10, we receive compensation by referring you to third party asset managers. This creates a conflict of interest because we have an incentive to recommend those third party asset managers based on the compensation we receive rather than what's in your best interest. We address this conflict by disclosing it to you. Additionally, as fiduciaries, we place your interests above our own in determining whether a referral to a third party asset manager is appropriate for you. You are under no obligation to use the services of a third party asset manager we recommend.

Item 15: Custody

Your account assets are maintained at a qualified custodian. We do not have physical custody of your assets but may be deemed to have custody when you authorize us to

deduct our fees from your account. You will receive statements from your account custodian on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative should you have any questions or concerns regarding your account.

The SEC issued a no-action letter (“Letter”) with respect to the Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians, Pershing & Schwab:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

As previously noted, we offer asset management services on a discretionary basis, meaning that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account. We may only exercise discretion if you have provided that authority to us in writing. This authorization is typically included in the investment advisory agreement you enter into with us.

The discretionary authority you grant to us does not provide us the ability to choose the custodian/broker-dealer through which transactions will be executed or to negotiate brokerage commissions. Additionally, our discretionary authority does not provide us the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization).

We will exercise discretion in a manner consistent with the stated investment objectives for your account.

You may choose to have your account in the Advisor Managed Portfolios program managed on a discretionary basis or a non-discretionary basis.

Typically under third-party investment management arrangements, the third-party investment manager exercises discretion in the management of your account. All securities transactions are selected and executed by that manager. We do not manage or obtain discretionary authority over the assets in those accounts.

Item 17: Voting Client Securities

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

Item 18: Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We do not require the prepayment of more than \$500 in fees when services cannot be rendered within 6 months. We have not been the subject of a bankruptcy proceeding.

Item 19: Requirements for State-Registered Advisers

No additional information is required that has not been disclosed elsewhere in this disclosure. Please see Daniel Young's ADV 2B at the end of this brochure for more information regarding his role as an IAR of HFG Advisors.

ADV Part 2B: Brochure Supplement

Daniel Youngs

HFG Advisors, Inc.

5659 W. Michigan Ave.

Kalamazoo, MI

49009

269.372.3229

Brochure Supplement

March 2023

This brochure supplement provides information about Daniel Youngs that supplements the brochure of HFG Advisors, Inc. You should have received a copy of that brochure. Please contact Daniel Youngs, President, if you did not receive our brochure or if you have any questions about the contents of this supplement.

Additional information about Daniel Youngs, CRD Number 1076279, is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Daniel Youngs

Year of birth: 1960

Formal education:

- Kalamazoo Valley Community college – Attended 1980-1981
- College of Financial Planning, 1991 Certified Financial Planner.

Business background:

- HFG Advisors, Inc. –President, Advisory Representative; (1987 – Present)
- FSC Securities Corporation – Registered Representative and Advisory Representative; (1996– Present)
- Lockwood Tax Center Inc. – Managing Partner; (2010 -2022)

Professional designation(s):

Mr. Youngs is a Certified Financial Planner™ (“CFP®”). CFP® is a professional certification granted by the Certified Financial Planner Board of Standards, Inc. (“CFP Board”) that is recognized for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® designation, an individual must:

- Complete an advanced college-level course of study addressing various financial planning subject areas designated by the CFP Board, including insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Pass a comprehensive CFP® Certification Examination that tests the candidate’s ability to correctly diagnose financial planning issues and apply financial planning principles to real world circumstances;
- Complete at least three years of full-time financial planning-related work experience;
- Agree to be bound by the CFP Board’s *Standards of Professional Conduct*, which outline the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete 30 hours of continuing education hours every two years.

Disciplinary Information

Mr. Youngs has not been the subject of any civil or criminal action, an administrative proceeding before the SEC or any other regulatory agency, or a self-regulatory organization proceeding.

Other Business Activities

In addition to his association with HFG, Mr. Youngs is:

- an investment advisory representative of FSC Securities Corporation (FSC is a registered investment adviser);
- a registered representative of FSC (FSC is a registered broker/dealer), and
- a licensed insurance agent.

You are not required to do business with Mr. Youngs in any of these capacities.

Mr. Youngs may also earn commissions from insurance products you purchase from him. You are under no obligation to purchase such products from him.

As a registered representative of a broker-dealer, Mr. Youngs may receive commissions or other compensation from the sale of mutual funds or other products to you. For example, Mr. Youngs may receive “12b-1 fees,” which are fees paid by mutual fund companies for the on-going marketing of their investment products).

This additional compensation may present a conflict of interest because it creates an incentive to recommend products and services based upon compensation, rather than on your needs. Mr. Youngs will explain the costs associated with any recommendation he makes. You have no obligation to do business with Mr. Youngs in any of these capacities. Please be advised that Mr. Youngs strives to put his clients’ interests first and foremost.

Additional Compensation

Mr. Youngs receives additional compensation for his activities as a registered representative of a broker-dealer, an advisory representative of an unaffiliated investment advisor, and as an insurance agent. This may also include applicable sales awards and other prizes. This compensation is described under “Other Business Activities” above.

Supervision

Mr. Youngs is our sole officer and senior manager. There are no other members to supervise or to monitor his activities.

Requirements for State-Registered Advisers

Mr. Youngs has not been the subject of any arbitration claims, other proceedings or bankruptcy petitions.