

Part 2A, Appendix 1 of Form ADV: *Wrap Fee Brochure*

Managed Portfolio Program II

M Financial Asset Management, Inc.

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This wrap fee program brochure provides information about the qualifications and business practices of M Financial Asset Management, Inc. (“M Wealth”). If you have any questions about the contents of this brochure, please contact us at 503.414.7686 or shannon.hartwell@mfin.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 M Wealth is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 136694.

As a client of M Wealth, you should be receiving statements and confirmations from the custodian where your account is held. If you are not receiving this documentation, please contact Shannon Hartwell, Chief Compliance Officer at 503.414.7686 or shannon.hartwell@mfin.com.

Item 2 -- Material Changes

There have been no material changes to our operations since our last annual filing of this Brochure.

We will provide you with a new brochure as necessary based upon changes or new information, at any time, without charge.

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Item 4 -- Services, Fees and Compensation

M Financial Asset Management, Inc. (“we,” “us,” “our,” or “M Wealth”) is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser with its principal place of business located in Portland, Oregon.¹ M Wealth began conducting business as an investment advisory firm in 2006. We are a wholly owned subsidiary of M Financial Holdings Incorporated d/b/a M Financial Group.

M Financial Group and its subsidiaries provide a variety of support services to a nationwide network of approximately 130 Member Firms. Member Firms (other than M Benefit Solutions, a Member Firm wholly owned by M Financial Group) are independently owned and managed financial services firms, and are not agents of M Financial Group. M Financial Group is wholly owned by the network of Member Firms and principals of Member Firms.

Advisory Services

M Wealth sponsors and acts as portfolio manager for the Managed Portfolio Program II (the “Program”). We make the Program available to affiliated and non-affiliated registered investment advisers (each, an “Advisor”) that may recommend the Program to their clients. M Wealth makes the Program available to such Advisors pursuant to a sub-advisory agreement under which participating Advisors will engage the services of M Wealth as sub-advisor. In rare cases, M Wealth provides this Program directly to clients without involvement from an Advisor.

M Wealth selects specific securities for Program accounts using model portfolios it has developed. The objective of the Program is to seek comprehensive market representation and mitigate portfolio risk through diversification.

Each account is charged an asset-based fee (the “Wrap Fee”) that covers investment management, brokerage, clearing, custodial and recordkeeping services (except certain fees and charges as noted in the Fees and Compensation section below).

Prior to opening an account, a client will consult with his/her Advisor representative (“Representative”) concerning the suitability and selection of the Program in general. The Representative will obtain information from you, including your investment objectives, risk tolerance, income needs, performance expectations, time horizon, financial situation, existing portfolio holdings and any investment restrictions to be placed on your account.

Based on the investment and financial information obtained from you, the Representative will recommend one of M Wealth’s model portfolios. The Representative will review the recommended model portfolio and, upon receiving your consent and an executed Managed Portfolio Program Client Service Agreement, the Representative will take appropriate actions to establish an account and provide necessary information to M Wealth to implement the model portfolio selected. Clients may impose reasonable restrictions on investing in certain securities.

M Wealth developed and manages twelve model portfolios. M Wealth will monitor and may change securities within the model portfolios through the selection of specific securities, which are primarily,

¹ Please note that registration as an Investment Adviser does not imply a certain level of skill or training.

but not limited to, exchange-traded funds (“ETFs”) and mutual funds. M Wealth uses various allocations of equity and fixed income securities to engineer the portfolios to strive for different levels of projected risk and return, such as conservative, moderate, or aggressive growth. In addition, we have tailored the portfolios for specific tax environments such as taxable accounts or tax-deferred accounts.

Fees and Compensation

The Managed Portfolio Program II is a wrap fee program. This means that the investment advice provided by all parties as well as transaction, custodial and administrative services are provided for a single fee (i.e., the Wrap Fee). Additional fees that may apply to your account and are not included in the Wrap Fee are detailed below under the “General Information on Fees” section.

Fees are negotiable with your Advisor. The schedule below details the maximum annual percentage fee:

Market Value	Maximum Wrap Fee
First \$500,000	1.40% *
Next \$500,000	1.39%
Next \$2,000,000	1.35%
Over \$3,000,000	1.30%

* Custodian’s portion of the Wrap Fee is 0.10%, but is subject to a \$250 minimum. This will cause the Wrap Fee to be higher for Accounts valued at less than \$250,000 (for example, for an Account valued at \$100,000, the maximum Wrap Fee will be 1.55%).

The Wrap Fee is computed and payable, in arrears, and will be assessed after the first and before the 15th business day of each period based upon the average daily fair market value of the account during the preceding period according to the schedule outlined above. Custodian’s portion of the Wrap Fee shall be payable monthly, and the remainder of the Wrap Fee payable to be paid after each calendar quarter.

You will allow your custodian to pay the Wrap Fee out of assets in the account by either withdrawing the appropriate amount from the money market balance in the account or selling shares of securities held in the account.

M Wealth, at its discretion, may increase the Wrap Fee by providing thirty (30) days’ written notice to you. At the end of the thirty (30) day period, the increased Wrap Fee will become effective unless you notify the Advisor in writing to close the account. However, any alteration to lower the Wrap Fee may become effective prior to your receipt of written notice from the Advisor.

Advisor Fees

Depending on, among other things, the size of the account, changes in its value over time, the number of transactions and the ability to negotiate fees and commissions, the amount of the Wrap Fee may be more or less than what you would receive if you paid separately for investment advice, brokerage and other services.

In nearly all cases, the Representative associated with the Advisor recommending the Program to you receives compensation as a result of your participation in the Program, and the amount of his/her compensation may be more or less than what such Representative would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, the Representative may have a financial incentive to recommend the Program over other programs or services.

General Information on Fees

Additional Custodian Fees

Custodian fees for purchasing and selling securities in your account are included in your Wrap Fee, however you may be charged separate fees for maintaining your account. These fees may include, but are not limited to, IRA maintenance fees, account closing fees and account transfer fees. For more information about such fees, please consult directly with your custodian.

Mutual Fund/ETF Fees

All fees paid to M Wealth for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. In no case should the investment advisory representative receive any commissions from these products.

A client could invest in a security directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual funds and ETFs are appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Item 5 -- Account Requirements and Types of Clients

The minimum investment size to participate in the Program is \$25,000 per account for certain model portfolios and \$50,000 for other model portfolios.

M Wealth provides advisory services to the following types of clients: individuals, charitable organizations, corporations, retirement plans and trusts.

Item 6 -- Portfolio Manager Selection and Evaluation

M Wealth sponsors and acts as portfolio manager for the Managed Portfolio Program. In this role, we are responsible for managing and monitoring the various portfolios. Advisors work with their clients to select the appropriate M Wealth model portfolio based upon a client's risk tolerance and financial objectives.

In the Program, clients can choose from one of twelve model portfolios that are managed by M Wealth whereas non-wrap fee clients have their accounts managed in accordance with a customized target asset allocation.

Performance Based Fees

M Wealth does not charge fees based upon appreciation of client assets.

Portfolio Manager Selection and Evaluation

M Wealth serves as the portfolio manager for the Managed Portfolio Program.

Methods of Analysis, Investment Strategy & Risk of Loss

In general, we seek to build diversified investment portfolios in consideration of our clients' time horizon, risk tolerance, liquidity requirements, and other investment constraints. Our investment process uses broad diversification, systematic portfolio risk management and rebalancing when necessary to seek to maintain the client's investment objectives. The main sources of information are databases with historical securities price information, research materials prepared by others, corporate rating services, annual reports, mutual fund prospectuses and data, financial newspapers and magazines, filings with the Securities and Exchange Commission, and corporate press releases.

Rather than focusing primarily on individual securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income securities, and cash suitable to a client's investment goals and risk tolerance. We build portfolios using various investments (mutual funds and ETFs) taking into consideration the amount of projected risk and projected return we are striving for in each model portfolio. However, a risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. That is one of the reasons why our investment process utilizes regular rebalancing. Of course, investing in securities involves risk of loss that clients should be prepared to bear.

At least quarterly, we do a thorough analysis of the performance of each of the model portfolios and each of the funds that make up the portfolios. The analysis is focused on determining if the performance of the funds and portfolios was in line with our expectations and the securities markets in general. If a fund's or portfolio's risk and return profile is below expectations for an extended period of time we will analyze alternatives and potentially change the portfolio's allocation or replace a fund in order to try to improve performance.

Voting Client Securities

As a matter of firm policy, M Wealth does not vote proxies on your behalf. Proxy information should be forwarded to you by the custodian and you retain the responsibility for voting the proxies.

Performance Report Calculation Method and Review

Account performance figures and percentages are calculated using a time-weighted return method, a measure of portfolio performance over a given time period calculated without regard to the effect of cash flows into or out of the account.

Performance reports are produced by a third-party provider. A sample of these reports are verified for accuracy each quarter by comparing the performance figures provided against the figures calculated by our own portfolio reporting system.

Item 7 -- Client Information Provided to Portfolio Manager

M Wealth serves as the portfolio manager of this Program. Clients (who are not direct clients of M Wealth) communicate with us through their Advisors. The Advisor works with you to choose a model portfolio that meets your risk tolerance and financial objectives. Should your life style or financial situation change, the Advisor will work with you to evaluate your situation and notify us of the need to change to another model portfolio if necessary.

Item 8 -- Client Contact with Portfolio Managers

As indicated above, we communicate with you regarding your account(s) through your Advisor.

Item 9 -- Additional Information

Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

FIRM REGISTRATIONS

M Holdings Securities, Inc. ("M Securities")

Certain personnel of M Wealth are separately licensed as registered representatives of M Securities. M Securities is owned by M Financial Group (and therefore affiliated with M Wealth) and is registered as an investment adviser and as a broker-dealer. No commission is collected by M Wealth personnel with respect to their investment advisory activities conducted on behalf of M Wealth as a result of their affiliation with M Securities.

Employees of M Wealth may recommend that advisory clients execute utilize the securities brokerage services of M Securities. These employees have an incentive, and therefore a conflict of interest, to

recommend the use of securities brokerage services of M Securities as opposed to other broker-dealers since many of our investment adviser representatives and Member Firms have a direct or indirect ownership stake in M Financial and because M Financial is an affiliate.

As required, our affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the cover page of this brochure.) As noted, M Securities is wholly owned by our parent company, M Financial Group, and offers portfolio management services in addition to third party management services.

M Financial Investment Advisers, Inc. (“MFIA”)

MFIA is wholly owned by our parent company, M Financial Group and it serves as the investment adviser to the M Fund, Inc. (“M Funds”). The M Funds are mutual funds that underlie sub-accounts available only through the purchase of variable life policies offered for distribution through M Financial’s network of Member Firms.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. M Wealth and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the regular review of securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Our code provides for oversight, enforcement and recordkeeping provisions. M Wealth Code of Ethics further includes the firm’s policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our internal supervisory procedures and Compliance audit and sampling procedures are designed to detect potential breaches of conduct by our employees. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between us and our clients. Employees may never enter orders ahead of client orders. Additionally, our employees are not allowed to trade IPOs for their own accounts.

Employees may not purchase or sell any security in which they have beneficial ownership unless they have complied with the firm’s Personal Security Transaction Policy. Employees may buy and sell for their own account mutual funds and ETFs (and other securities) that are purchased for clients. However, such conflicts are handled by the virtue of the fact that employees are prohibited from (i) entering a personal order to buy or sell a security if they have knowledge of a client’s un-executed

market order to buy or sell the same security, and (ii) trading ahead of a client's limit order. In addition, employees are prohibited from trading in a position that is opposite to M Wealth's recommendations. Finally, M Wealth strictly forbids front-running client accounts, which generally involves placing personal trades ahead of imminent client trades. As noted, compliance with these prohibitions is monitored by the Firm and employees' personal securities transactions are reviewed.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to shannon.hartwell@mfin.com, or by calling us at 503.414.7686.

Review of Accounts

Client accounts are reviewed at least monthly by a vice president, with support from various employees, to determine if they continue to be allocated properly given the model portfolio that was selected and normal valuation fluctuations during the preceding period. If the amounts of various securities positions in an account diverge from the expected amounts, an analysis is completed to determine the cause of the divergence.

We provide quarterly performance reports to Advisors (in cases where we act as a sub-advisor) or directly to clients (in cases where we have a direct portfolio management relationship).

Client Referrals and Other Compensation

Client Referrals

Currently, we do not participate in a referral program involving our Managed Portfolio Program.

Additional Compensation

We invite you to view the disclosure document of our parent company, M Financial Group. This document details the various ways that M Financial and its affiliated companies may receive compensation. This regularly updated disclosure document may be viewed at www.mfin.com/DisclosureStatement.htm

Financial Information

M Wealth has no additional financial circumstances to report and has not been the subject of a bankruptcy petition.