

**FORM ADV Uniform Application for Investment Adviser Registration**  
**Part 2A: Investment Adviser Brochure and Brochure Supplements**  
**Item 1: Cover Page**



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This brochure provides information about the qualifications and business practices of MFA Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 978-687-5869. 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 MFA Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure. The last annual update of this Brochure was dated September 2014.

Since that date, the following material changes have been made to this Brochure:

Effective July 15, 2015, the name of the firm changed from New Wealth Advisors, LLC to MFA Asset Management, LLC. Edits have been made throughout this Brochure to reflect this change.

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## Item 4: Advisory Business

Since March 2, 2004, MFA Asset Management, LLC (“MFA Asset Management”) has been in business as a New England-based registered investment adviser. Through its three primary practice areas, the firm offers both individuals and businesses advice and service through financial planning and consultative services, retirement plan advisory services, and investment management services.

The accounting firm of Moody, Famiglietti & Andronico, LLP is the principal owner of MFA Asset Management. As of June 30, 2014, MFA Asset Management manages \$323,746,309 in assets under management, of which \$58,178,932 is managed on a discretionary basis and \$265,567,377 is managed on a non-discretionary basis. MFA Asset Management also advises on \$41,971,648 in pension plan assets.

This disclosure brochure describes the business of MFA Asset Management. Certain sections will also describe the activities of its Supervised Persons. Supervised Persons are any of MFA Asset Management’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or

employees, or any other person who provides investment advice on MFA Asset Management's behalf and who remain subject to MFA Asset Management's supervision or control.

### **Retirement Plan Advisory Services/Pension & Profit Sharing Plan Consulting**

MFA Asset Management's Retirement Plan Advisory Practice is based on specialized engagements negotiated with plan sponsors based upon their specific needs. MFA Asset Management's consults on the administration and participation of qualifying and non-qualifying plans, addressing the following areas:

*Plan Investment Advisory Services:* MFA Asset Management's investment consultants support ERISA administrative committees by confirming and monitoring ERISA fiduciary compliance based on the committees' Investment Policy Statement, non-discretionary investment manager evaluations, and providing monitoring and reporting on plan and manager performances.

*Provider Search:* MFA Asset Management provides comprehensive and objective management of the search process; including administration needs assessment, provider review and service contract negotiations, selection and conversion.

*Plan Design & Compliance:* MFA Asset Management consults and guides sponsors through the complex plan design and related regulatory environment.

*Educational Seminars & Workshops:* MFA Asset Management organizes workshops for participants and offers educational sessions, which are designed to help employees understand and weigh the financial implications of certain actions and the additional costs of inaction.

*Employee Communications:* Working with plan sponsors, MFA Asset Management produces communication strategies and materials that reinforce the value of the company's benefits program and seek to enable employees to make decisions with confidence.

In addition to the services described above, MFA Asset Management's Retirement Plan Advisory Practice offers retirement plan vendor requests for proposals, fiduciary governance analysis, retirement plan compliance reviews, investment selection analysis, and fee benchmarking services.

### **Investment Management Services**

Clients can engage MFA Asset Management to manage all or a portion of their assets on a discretionary or non-discretionary basis. MFA Asset Management provides these investment management services for equity, fixed income, cash management and blended portfolios.

In providing investment management services, MFA Asset Management may:

- a) manage client assets directly, allocating a client's investment management assets among various investment vehicles, including but not limited to mutual funds, ETFs (exchange-traded funds), model portfolios, and individual debt and equity securities;
- b) allocate a client's investment management assets among Separate Account Managers through Schwab Sponsored Programs, in accordance with the investment objectives of the client;
- c) allocate a client's investment management assets among Separate Account Managers through Other Third-Party Programs, in accordance with the investment objectives of the client;
- d) recommend that clients enter into an agreement with a Separate Account Manager for management of all, or a portion of, the client's investment management assets; this recommendation is made in accordance with the investment objectives of the client;

- e) recommend that clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients’ investment objectives; and/or
- f) provide investment advice about any legacy securities and other types of investment otherwise held in a client’s account.

MFA Asset Management also may render non-discretionary investment management services to clients relative to their individual employer-sponsored retirement plans or other products that may not be held by the client’s primary custodian. In so doing, MFA Asset Management recommends the allocation of client assets among the various investment options that are available. Client assets are maintained at the specific insurance company or designated custodian.

MFA Asset Management tailors its advisory services to the individual needs of clients. MFA Asset Management consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients’ investment needs. MFA Asset Management ensures that clients’ investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients may impose reasonable restrictions or mandates on the management of their assets (e.g., require that a portion of their assets are invested exclusively in socially responsible funds) if, in the sole discretion of MFA Asset Management, these conditions will not adversely impact the administration of its management services. Clients are advised to promptly notify MFA Asset Management if there are changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon MFA Asset Management’s management services.

### **Financial Planning and Consulting Services**

MFA Asset Management may provide its clients with a broad range of financial planning and consulting services (which may include tax-related and other non-investment related matters). These services may include:

- Financial life planning;
- Investments review;
- Cash flow planning;
- Tax planning;
- Risk management and insurance consulting;
- Retirement planning;
- Inheritance, estate and gift planning;
- Education planning; and
- Charitable giving.

MFA Asset Management may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if MFA Asset Management recommends its own services or those of an affiliate. The client is under no obligation to act upon any of the recommendations made by MFA Asset Management under a financial planning or consulting engagement or to engage the services of any such recommended professional, including MFA Asset Management itself and any of its affiliates. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of MFA Asset Management’s recommendations. Clients are advised of their responsibility to promptly notify MFA Asset Management of changes in their financial situation or investment objectives.

## **Use of Separate Account Managers (SAMs)**

As mentioned above, MFA Asset Management recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain separate account managers ("SAMs"), based upon the stated investment objectives of the client.

Clients may engage SAMs:

1. through Schwab Sponsored Programs (described above as option b);
2. through Other Third Party Programs (described above as option c); or
3. directly via a written agreement with the SAM (described above as option d).

### *Schwab Sponsored Programs*

Clients who participate in a Schwab Sponsored Program may have their assets managed by one or more SAMs and will pay one bundled "program fee", charged by the program sponsor, which covers program sponsor fees as well as SAM fees. This program fee is further described in Item 5 below and in the Schwab Sponsored Program brochure delivered to clients participating in such a program.

The Schwab Sponsored Programs currently offered by MFA Asset Management include Schwab's Managed Account Select program and Schwab's Managed Account Access program.

### *Other Third Party Programs*

Similar to Schwab Sponsored Program, clients who participate in Other Third Party Programs may have their assets managed by one or more SAMs; however, program sponsor fees and SAM fees are not bundled into one program fee; they are charged separately. Clients participating in these programs may also incur other charges, including transaction, execution, and custodian fees.

The separate account program currently offered by MFA Asset Management is Schwab's Managed Account Marketplace.

### *Direct Agreement with SAMs*

Clients who enter into a direct agreement with one or more SAMs will have their assets managed directly by the SAM(s), independent of a structured program. The terms and conditions of this relationship, including the assessment of the SAM's fees and any other fees to be charged to the client in the servicing of the account, are set forth in the separate written agreement between the client and the designated SAM.

The SAMs with whom clients may contract directly are Breckinridge Capital Advisors and Gannet, Welsh & Kotler Investment Management.

MFA Asset Management renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of SAMs. MFA Asset Management also monitors and reviews the account performance and the client's investment objectives. MFA Asset Management receives an annual advisory fee, billed monthly, which is based upon a fixed fee, an hourly fee, or percentage of the market value of the assets being managed by the designated SAM. The investment management fees charged by the SAMs, as

well as any fees charged by the program sponsor, are exclusive of, and in addition to, MFA Asset Management's investment advisory fee.

When recommending or selecting an SAM for a client, MFA Asset Management reviews information about the SAM, such as its Form ADV Part 2 and/or material supplied by the SAM or independent third parties for a description of the SAM's investment strategies, past performance and risk results to the extent available. MFA Asset Management also distributes, collects, and reviews a comprehensive due diligence questionnaire to each of the SAMs with whom a client may contract directly. Factors that MFA Asset Management considers in recommending a SAM include the client's stated investment objectives, and the SAM's management style, performance, reputation, financial strength, reporting, pricing, and research.

In addition to MFA Asset Management's written disclosure brochure, the client also receives the written disclosure brochure of the designated SAM(s), and, if applicable, the Schwab Sponsored Program brochure for the program in which the client is participating. Certain SAMs may impose minimum account requirements and varying billing practices that differ from those of MFA Asset Management.

### **Additions and Withdrawals to Accounts**

Clients may make additions to and withdrawals from their account at any time, subject to MFA Asset Management's right to terminate an account. Clients may withdraw account assets on notice to MFA Asset Management, subject to the usual and customary securities settlement procedures. However, MFA Asset Management designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

Additions may be in cash or securities provided that MFA Asset Management reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. MFA Asset Management may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

## **Item 5: Fees and Compensation**

MFA Asset Management offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Financial Planning and Consulting Fees**

MFA Asset Management charges a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$2,500 to \$50,000 on a fixed fee basis and/or from \$200 to \$410 on an hourly basis, depending upon the level and scope of the services and the professional engaged to render the services. If the client engages MFA Asset Management for additional investment advisory services, MFA Asset Management may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

### **Retirement Plan Advisory Services/Pension & Profit Sharing Plan Consulting**

MFA Asset Management charges hourly, fixed fee and/or basis point fees for its Retirement Plan Advisory consulting services. These fees are negotiable, but generally range from \$2,500 to \$80,000 on a fixed fee basis and/or \$130 to \$325 on an hourly basis, depending upon the level and scope of the services and the professional engaged to render the services.

## **Investment Management Fee**

MFA Asset Management provides the investment management services described above for an annual fee, charged in arrears, based upon a percentage of the market value of the assets in the client's account. In some cases, a minimum fee for investment management services may be negotiated and agreed upon in writing. Each month, clients with an agreed upon minimum will be charged the greater of (1) the monthly allocation of the annual minimum fee or (2) the monthly allocation of the annual fee calculated based upon the value of the assets under management on the last day of the previous month. As discussed above, MFA Asset Management's annual fee is exclusive of, and in addition to, SAM fees, as well as any program sponsor fees, brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client.

MFA Asset Management, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

For investment management services through which a SAM is engaged, MFA Asset Management's Investment Management Agreement requires the client to authorize the deduction of MFA Asset Management's investment management fee directly from the client account. For investment management services through which MFA Asset Management is managing client assets directly (without the use of a SAM), clients may elect to have MFA Asset Management send an invoice for payment.

The annual investment management fee varies (between 0.525% and 1.50%) depending upon the market value of the assets under management and the type of investment management to be rendered.

## **Fees Charged for Access to Separate Account Managers (SAMs)**

### *Schwab Sponsored Programs*

In addition to the Investment Management fee charged by MFA Asset Management, clients who participate in Schwab Sponsored Programs will also incur a program fee. This program fee covers services provided by the program sponsor, including custody, execution of client transactions, and program administration, as well as the asset management fees for services provided by the SAM(s) to manage the client's assets. Clients participating in such a program are required to authorize automatic deduction of the program fee directly from the client account, a portion of which is then directly remitted to the SAM(s) for management of the account.

### *Other Third Party Programs*

In addition to the Investment Management fee charged by MFA Asset Management, clients who participate in separate account programs will also incur fees charged by the program sponsor and by the SAM(s) managing the client's assets. Clients may also incur other charges, including transaction, execution, and custodian fees. Clients participating in such a program are required to authorize automatic deduction of these fees directly from the client account.



## *Direct Agreement with SAMs*

In addition to the Investment Management fee charged by MFA Asset Management, clients who contract directly with one or more SAMs will incur asset management fees charged by the SAM(s), and may also incur custodial, transaction, and other fees charged for the servicing of the account. The method of payment for asset management fees charged by the SAM(s) is set forth in the written agreement between the SAM and the client.

All client assets are held by a Qualified Custodian, who sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MFA Asset Management, as well as applicable program fees, SAM fees, and/or other fees charged directly to the client's account.

### **Custodial and Other Fees**

As further discussed in Item 12 below, MFA Asset Management generally recommends that Charles Schwab & Co., Inc. ("Schwab") serve as Qualified Custodian for client accounts. Schwab also provides brokerage and clearing services for investment management accounts. Clients who use a custodian other than Charles Schwab may incur additional fees in order for MFA Asset Management to be able to prepare quarterly reports requiring the aggregation of asset details from other custodians.

Clients who receive investment management services other than through a Schwab Sponsored Program may incur custodial charges imposed by the Qualified Custodian and/or charges imposed directly by a mutual fund or ETF in the account, (which shall be disclosed in the fund's prospectus and may include fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### **Investment Management Agreement & Fees for Management during Partial Months of Service**

Prior to engaging MFA Asset Management to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with MFA Asset Management setting forth the terms and conditions under which MFA Asset Management renders its services (collectively the "Investment Management Agreement"). Neither MFA Asset Management nor the client may assign the Agreement without the consent of the other party. A transaction that does not result in a change of actual control or management of MFA Asset Management is not considered an assignment.

For the initial period of investment management services, the fees are calculated on a pro rata basis. The Agreement between MFA Asset Management and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. MFA Asset Management's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

### **Item 6: Performance-Based Fees and Side by Side Management**

MFA Asset Management does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

MFA Asset Management provides its services to individuals, families, trusts, estates, nonprofit organizations, and pension and profit sharing plans (for corporations and other business entities).



### **Minimums Imposed By Separate Account Managers (SAMs)**

MFA Asset Management does not impose a minimum portfolio size or minimum annual fee. Certain SAMs may, however, impose more restrictive account requirements and varying billing practices than MFA Asset Management. In such instances, MFA Asset Management may alter its corresponding account requirements and/or billing practices to accommodate those of the SAMs.

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

### **Primary Methods of Analysis**

MFA Asset Management's investment plans contain assets in classes that it believes, based upon historical data, have attractive combinations of return, risk and correlation. These investment plans are crafted using a combination of fundamental and technical research methods derived from a variety of commercially available investment information and evaluation services.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. MFA Asset Management will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that MFA Asset Management will be able to accurately predict such a reoccurrence.

### **Investment Strategy**

MFA Asset Management utilizes a rigorous client interview process to determine an appropriate investment asset allocation mix to target stated return goals and risk tolerance. Among the factors MFA Asset Management considers when determining an appropriate strategy include account size, investment styles, strategies, portfolio diversification, risks levels and turnovers. Investment policy and overall portfolio weightings as between equities and fixed income investments are formulated based upon each client's objectives, risk tolerance, and time horizon. MFA Asset Management places a strong emphasis on optimizing performance at the portfolio level, while attempting to control risk through diversification and asset allocation.

MFA Asset Management utilizes both in-house portfolio managers and external SAMs to effectuate its investment plans. MFA Asset Management targets those SAMs who specialize in the specific investment types that it has recommended to its clients. MFA Asset Management's portfolios are primarily designed as strategic, long-term allocations; however, MFA Asset Management may rebalance its clients' portfolios to maintain desired allocations, make short-term adjustments to respond to market conditions, or revise the allocation to reflect changes in circumstances or goals. When necessary, MFA Asset Management may suggest certain alternative investments, which include hedge funds or other private equity, real estate and venture capital offerings. MFA Asset Management continues to monitor investor correspondence and advise clients as to tax, liquidity and other financial considerations pertaining to these complex investments.

## **Mutual Funds and Exchange-Traded Funds (ETFs)**

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a mutual fund investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## **Market Risks**

The profitability of a significant portion of MFA Asset Management's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that MFA Asset Management will be able to predict those price movements accurately.

## **Use of Separate Account Managers (SAMs)**

MFA Asset Management may recommend the use of SAMs for certain clients. MFA Asset Management reviews such managers, but such recommendations rely, to a great extent, on the SAM's ability to successfully implement their investment strategy. MFA Asset Management also distributes, collects, and reviews a comprehensive due diligence questionnaire to each of the SAMs with whom a client may contract directly

## **Use of Private Collective Investment Vehicles**

MFA Asset Management may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

## **Risk of Loss**

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9: Disciplinary Information**

MFA Asset Management is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of MFA Asset Management's advisory business or the integrity of management. MFA Asset Management has no disclosures pursuant to this item.

## **Item 10: Other Financial Industry Activities and Affiliations**

MFA Asset Management is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

### **Related Certified Public Accountants**

MFA Asset Management is majority owned by Moody, Famiglietti & Andronico, LLP ("MFA"), a Certified Public Accounting Firm. Any accounting services rendered by MFA are independent of MFA Asset Management pursuant to a separate agreement between the client and MFA.

Certain individuals affiliated with both MFA and MFA Asset Management are entitled to receive distributions / dividends relative to their respective ownership interests in MFA.

### **Related Insurance Services**

MFA Asset Management is sole owner of MFA Insurance, LLC. ("MFA Insurance"), a licensed insurance agency. Certain investment adviser representatives of MFA Asset Management are also licensed insurance agents with MFA Insurance and various insurance companies. While MFA Asset Management does not sell such insurance products to its investment advisory clients, MFA Asset Management does permit these persons, in their capacity as insurance agents, to sell insurance products to such clients and to receive insurance commissions or other compensation on the sale of such products. A conflict of interest exists to the extent that MFA Asset Management's advisory representatives may recommend insurance services to a MFA Asset Management client and subsequently provide such insurance services on a commission basis to that client through MFA Insurance. All investment adviser representatives of MFA Asset Management have a fiduciary obligation to act in the best interest of MFA Asset Management's clients.

### **Other Related Parties**

MFA Asset Management is under common control with MFA Securities, LLC ("MFA Securities"), a FINRA member broker-dealer owned indirectly by members of MFA Asset Management. MFA Asset Management does not place client securities transactions through MFA Securities. Any services rendered by MFA Securities are independent of MFA Asset Management pursuant to a separate agreement between the client and MFA Securities.

MFA Asset Management is under common control with Strategic Talent, LLC. ("Strategic Talent"), a staffing company owned indirectly by members of MFA Asset Management. Any services rendered by Strategic Talent are independent of MFA Asset Management pursuant to a separate agreement between the client and Strategic Talent.

MFA Asset Management is under common control with MFA Cornerstone Consulting, LLC. ("MFA Cornerstone"), a consulting company owned indirectly by members of MFA Asset Management. Any services rendered by MFA Cornerstone are independent of MFA Asset Management pursuant to a separate agreement between the client and MFA Cornerstone.

MFA Asset Management is under common control with MFA Capital Advisors, LLC. ("MFA Capital Advisors"), a consulting company owned indirectly by members of MFA Asset Management. Any services rendered by MFA Capital Advisors are independent of MFA Asset Management pursuant to a separate agreement between the client and MFA Capital Advisors.

The investment adviser representatives of MFA Asset Management may, if in the client's best interest, recommend the services of one of MFA Asset Management's affiliates to a client. Other than as described above, these investment adviser representatives receive no compensation for making such recommendations. Clients are under no obligation to act upon any of the recommendations made by MFA Asset Management or to engage the services of any affiliate of MFA Asset Management.

#### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

MFA Asset Management and persons associated with MFA Asset Management ("Associated Persons") are permitted to buy or sell securities that MFA Asset Management also recommends to clients consistent with MFA Asset Management's policies and procedures. MFA Asset Management 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"), MFA Asset Management's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by MFA Asset Management or any of its associated persons. The Code of Ethics also requires that certain of MFA Asset Management personnel (called "Access Persons") report their personal securities holdings and transactions to the Chief Compliance Officer and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in MFA Asset Management's Code of Ethics, none of MFA Asset Management's Access Persons may 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 MFA Asset Management's clients.

When MFA Asset Management is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect 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 MFA Asset Management is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds. Clients and prospective clients may contact MFA Asset Management to request a copy of its Code of Ethics.

#### **Item 12: Brokerage Practices**

MFA Asset Management may only implement its investment management recommendations after the client has arranged for and furnished MFA Asset Management with all information and authorizations regarding accounts with the custodians. Custodians include, but are not limited to, Schwab, any other broker-dealer

recommended by MFA Asset Management, or a broker-dealer directed by the client, trust companies, banks, etc.

As discussed above in Item 5, MFA Asset Management generally recommends that clients utilize the custodial, brokerage and clearing services of Schwab. Factors which MFA Asset Management considers in recommending Schwab or any other broker-dealer for execution services include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables MFA Asset Management to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other brokerage firms.

Clients may pay commissions that are higher than another brokerage firm might charge to effect the same transaction where MFA Asset Management determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a brokerage firm's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. MFA Asset Management seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

MFA Asset Management periodically and systematically reviews its policies and procedures regarding its brokerage firm recommendation in light of its duty to obtain best execution. The client may direct MFA Asset Management to use a particular brokerage firm to execute some or all transactions for the client. In that case, the client will negotiate the terms and arrangements for the account with that brokerage firm and MFA Asset Management will not seek better execution services or prices from other brokerage firms. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MFA Asset Management may decline a client's request to direct brokerage if, in MFA Asset Management's sole discretion, such directed brokerage arrangements would result in additional operational difficulties. MFA Asset Management does not aggregate client and/or firm transactions.

#### **Software and Support Provided by Financial Institutions**

MFA Asset Management may receive from Schwab, without cost to MFA Asset Management, computer software and related systems support, which allow MFA Asset Management to better monitor client accounts maintained at Schwab. MFA Asset Management may receive the software and related support without cost because MFA Asset Management maintains client assets at Schwab. The software and related systems support may benefit MFA Asset Management, but not its clients directly. In fulfilling its duties to its clients, MFA Asset Management endeavors at all times to put the interests of its clients first. Clients should be aware; however, that MFA Asset Management's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence MFA Asset Management's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, MFA Asset Management may receive the following benefits from Schwab through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements, and access to a trading desk that exclusively services the Schwab Institutional participants.

#### **Item 13: Review of Accounts**

For those clients to whom MFA Asset Management provides investment management services, MFA Asset Management monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom MFA Asset Management provides financial

planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of MFA Asset Management’s investment adviser representatives.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with MFA Asset Management and to keep MFA Asset Management informed of any changes thereto. MFA Asset Management contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact of any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the Qualified Custodian for the client accounts. Those clients to whom MFA Asset Management provides investment advisory services will also receive a report from MFA Asset Management that may include such relevant account and/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 MFA Asset Management.

Those clients to whom MFA Asset Management provides financial planning and/or consulting services will receive reports from MFA Asset Management summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by MFA Asset Management.

#### **Item 14: Client Referrals and Other Compensation**

MFA Asset Management may compensate related parties for client referrals, as discussed below. While investment adviser representatives of MFA Asset Management may, if in the client’s best interest, recommend the services of one of MFA Asset Management’s affiliates to a client, these investment adviser representatives receive no compensation for making such recommendations. Clients are under no obligation to act upon any of the recommendations made by MFA Asset Management or to engage the services of any affiliate of MFA Asset Management.

##### **Related Certified Public Accountants**

Under written agreement, MFA Asset Management compensates individuals affiliated with MFA, a related certified public accounting firm, for client referrals. Such individuals disclose the nature of the relationship between MFA Asset Management and MFA to the prospective client at the time of solicitation. Any such referral fee is paid solely from MFA Asset Management’s investment management fee, and does not result in any additional charge to the client.

##### **Other Related Parties**

MFA Asset Management may compensate individuals affiliated with Strategic Talent, LLC, MFA Cornerstone Consulting, LLC, or MFA Insurance, LLC, all of which are related entities of MFA Asset Management, for client referrals. Such compensation may only be paid under written agreement. Any individual who solicits on MFA Asset Management’s behalf must disclose the nature of the relationship between MFA Asset Management and the related entity to the prospective client. Any such referral fee is paid solely from MFA Asset Management’s investment management fee, and does not result in any additional charge to the client.

#### **Item 15: Custody**

MFA Asset Management’s Investment Management Agreement and the terms of a separate agreement into which the Client may enter with the Qualified Custodian authorizes the deduction of MFA Asset Management’s investment management fee from the client’s account. MFA Asset Management is deemed



to have custody of client assets solely because it deducts advisory fees from client accounts. Other than these client-authorized fee deductions, MFA Asset Management does not maintain or accept custody of client funds or securities.

In accordance with Custody Rule requirements, MFA Asset Management verifies that the Qualified Custodian is sending a statement to clients, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MFA Asset Management. In addition, as discussed in Item 13, MFA Asset Management also sends periodic supplemental reports (quarterly) to clients. Clients are encouraged to carefully review the statements sent directly by the Qualified Custodian to those received from MFA Asset Management and immediately report any unexplained differences to MFA Asset Management and/or the Qualified Custodian, as appropriate.

#### **Item 16: Investment Discretion**

MFA Asset Management may be given the authority to exercise discretion on behalf of clients. MFA Asset Management client without first having to seek the client's consent. MFA Asset Management is granted this authority through a limited power-of-attorney which is included in the Discretionary Investment Management Agreement between New MFA Asset Management and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). MFA Asset Management takes discretion over the following activities:

- The securities to be purchased or sold (which align with our client's risk tolerance profiles);
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker or dealer to be used for a client securities transaction; and
- The SAMs to be hired or fired.

#### **Item 17: Voting Client Securities**

MFA Asset Management is required to disclose if it accepts authority to vote client securities. MFA Asset Management does not vote securities on behalf of its clients.

#### **Item 18: Financial Information**

MFA Asset Management does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, MFA Asset Management is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. MFA Asset Management has no disclosures pursuant to this item.

#### **Item 19: Miscellaneous**

MFA Asset Management prohibits the disclosure of any client related non-public or personal information to others except as authorized by the client or as otherwise set out in the firm's related privacy policies. In the event of a disruption in service, the firm also maintains a business continuity plan which is reviewed in its entirety annually.