

Financial Planning & Other Services

Brochure

MWA Financial Services, Inc.

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March 29, 2016

Item 1 – Cover Page

This Brochure provides information about the qualifications and business practices of MWA Financial Services, Inc. (MWAFS). If you have any questions about the contents of this Brochure, please contact us at (309) 558-3100 and/or MWAFS.Compliance@Modern-Woodmen.org. 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.

MWA Financial Services, Inc. is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information to help you determine whether to hire or retain an Advisor.

For Massachusetts residents, the disciplinary history of MWA Financial Services, Inc. and your Advisor may be obtained by contacting the Massachusetts Securities Division.

Additional information about MWA Financial Services, Inc. (CRD # 112630) is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The date of MWAFS' last annual update to this Brochure was March 27, 2015.

Summary of Material Changes

Following are the material changes made to this Brochure since the last annual update:

Item 1-Cover Page

Information was added for Massachusetts residents who desire additional information on MWAFS and its advisors.

Item 2-Summary of Material Changes

Deleted the section titled General Information that was included in previous versions of this Brochure.

Item 4 –Advisory Business

Added statement further explaining MWAFS' reliance on information provided by client's other professional advisers.

Added statement explaining clients may impose restrictions on securities.

Item 5-Fees and Compensation

Under the Other Compensation section, a paragraph was added explaining MWAFS' procedures when the firm becomes aware of a conflict of interest.

Item 10 –Other Financial Industry Activities and Affiliations

Added statement regarding commissions will be paid on the sale of securities and insurance products.

Revised paragraph describing Independent Advisers and their arrangement with MWAFS.

Item 14- Client Referrals and Other Compensation

This section on was updated to better clarify the compensation received by MWAFS and its Advisers when using third-party management firms.

Item 19-Requirements for State-Registered Advisers

This section was removed as MWA Financial Services, Inc. became registered with the Securities Exchange Commission (SEC) on January 4, 2016 and is no longer a state-registered adviser.

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Item 4 – Advisory Business

MWA Financial Services, Inc. (MWAFS) is a wholly owned subsidiary of Modern Woodmen of America, Inc. Modern Woodmen of America is the principal owner of MWAFS. It was established in the state of Illinois as a broker/dealer in 2001 and became a Registered Investment Advisor in February 2004.

As a Registered Investment Advisor, MWAFS offers the following products and services:

- Financial planning services
- Other approved products or services as requested by Client
- Portfolio management through our wrap fee programs (asset management services and managed account programs)
- Selection of other advisers

Information on portfolio management services using our wrap fee programs and selection of other advisers is described in the separate Wrap Fee Program Brochure. Clients may obtain a copy by contacting MWA Financial Services.

Information on financial planning services and other approved products or services are described in more detail in the following sections.

Financial Planning

The Client will be required to furnish for review, certain records and documents in order to complete a financial plan. These documents may include tax returns, current financial documents including W2s or 1099s, information on current retirement plans and insurance provided by Client's employer, mortgage information, insurance policies, statements reflecting current investments in Client's retirement and non-retirement accounts, copies of Client's wills or trusts and other documents that may be deemed pertinent. The client may impose restrictions on investing in certain securities or types of securities.

Upon receipt of these documents, the Adviser will make recommendations based on Client's current situation, expectations and investment objectives, as well as investment time horizon. The Client's risk tolerance (or ability to live comfortably with risk in association with Client's investments) will be taken into account. A written plan will then be presented to the Client along with an outline of suggestions to improve Client's current financial situation, as well as suggested steps to help Client reach his/her investment goals.

Financial planning may cover any or all of the following areas:

- Retirement planning
- Education planning

- Asset allocation
- Estate planning
- Special needs planning
- Asset management
- Tax planning
- Insurance needs analysis
- Other areas of importance to the Client

The financial plan chosen by the Client may be “comprehensive” or “modular” in structure. A comprehensive plan would focus on all areas listed that are pertinent to the Client. A modular plan would focus on only one or two areas of particular interest such as retirement or education planning. Other areas of concern to the Client may be reviewed by the Adviser or outsourced to other experts for their review, but only with prior written approval of the Client. The financial plan may include specific financial and investment strategies, as well as specific product recommendations, including equity, fixed income and insurance products.

The various levels of comprehensive financial planning are:

Level 1 Comprehensive Financial Planning: A Level 1 plan requires approximately 5-10 hours to complete. It includes:

- Data Collection
- Plan Development
- Presentation and Recommendations
- 1 meeting per year
- Review of all investment accounts
- Asset allocation and rebalancing
- Insurance needs analysis

Level 2 Comprehensive Financial Planning: A Level 2 plan requires approximately 10-15 hours to complete. It includes:

- Data Collection
- Plan Development
- Presentation and Recommendations
- 1-2 meetings per year
- Review of all investment accounts
- Asset allocation and rebalancing
- Insurance needs analysis

Level 3 Comprehensive Financial Planning: A Level 3 plan requires approximately 15-30 hours to complete. It includes:

- Data Collection
- Plan Development

- Presentation and Recommendations
- 2-3 meetings per year
- Review of all investment accounts
- Asset allocation and rebalancing
- Insurance needs analysis

Level 4 Comprehensive Financial Planning: A Level 4 plan requires approximately 30 or more hours to complete. It includes:

- Data Collection
- Plan Development
- Presentation and Recommendations
- 3-4 meetings per year
- Review of all investment accounts
- Asset allocation and rebalancing
- Insurance needs analysis

The specific services offered at each level may be amended to meet the client's needs and situation. Any amendments will be noted in writing in Appendix B of the Client Advisory Agreement and agreed to by the client and Adviser.

In all matters, Adviser's planning services are analytical and advisory only and do not include legal or other professional services unless specifically stated. The Adviser may work with Client's legal, accounting, insurance or other professional advisers to ensure the coordination of all pieces involved in the financial planning and/or estate planning process as directed by the Client. The Adviser will rely upon information received from these professionals and is not required to verify the accuracy of any such information.

If securities or products are put in place as a part of the financial plan, commissions may or may not be assessed in addition to advisory fees. This will be outlined in the Client Advisory Agreement.

At no time is the Client under any obligation to implement (with MWAFS or with any other firm) any or all of the suggestions as outlined in the financial plan. Implementation is solely at the Client's discretion. While the Adviser provides recommendations within the financial plan to assist the Client in reaching their stated goals, ownership of the plan remains with the client. It is the responsibility of the Client to notify MWAFS of any changes to their financial situation or objectives that may impact the focus of the financial plan.

MWAFS obtains information from a wide variety of publicly available sources. MWAFS does not have any inside private information about any investments that are recommended. All recommendations developed by MWAFS are based upon Adviser's professional judgment. MWAFS cannot guarantee the results of any of our recommendations. Choosing which recommendation to follow is the client's decision.

Other Planning Services

The Adviser may also complete specific projects or services at the Client's request. Projects could include those such as financial product comparisons, reviews, or one-time and infrequent consultations.

Assets under Management

As of January 1, 2016 MWAFS managed \$14,107,078.00 of assets on a non-discretionary basis through its Investment Advisory business.

Item 5 – Fees and Compensation

The specific manner in which fees are charged is established in the Client Advisory Agreement (the Agreement) with MWAFS.

Depending on the type of service selected, the fee charged would fall under one of these two types;

- an hourly fee
- a flat fee

All fees assessed by MWAFS are subject to negotiation at the sole discretion of MWAFS.

This chart identifies the Adviser's service and fee schedule as stated in the Client Advisory Agreement:

Service Type	Service Description	Types of Fees	Fee Rates	Billing Method	Fee and Commissions ⁴
<input type="checkbox"/> 3	Financial Planning Module ³	<input type="checkbox"/> Flat	\$100- \$300 per module	50% in advance, 50% upon completion	<input type="checkbox"/> Fee Only <input type="checkbox"/> Commissions Only <input type="checkbox"/> Fee & Commissions
<input type="checkbox"/> 4	Level 1 Comprehensive Financial Planning ³	<input type="checkbox"/> Hourly	\$100- \$150 per hour	Billed upon completion	<input type="checkbox"/> Fee Only <input type="checkbox"/> Commissions Only <input type="checkbox"/> Fee & Commissions
<input type="checkbox"/> 5	Level 2 Comprehensive Financial Planning ³	<input type="checkbox"/> Hourly	\$150- \$200 per hour	Billed upon completion	<input type="checkbox"/> Fee Only <input type="checkbox"/> Commissions Only <input type="checkbox"/> Fee & Commissions
<input type="checkbox"/> 6	Level 3 Comprehensive Financial Planning ³	<input type="checkbox"/> Hourly	\$200- \$250 per hour	Billed upon completion	<input type="checkbox"/> Fee Only <input type="checkbox"/> Commissions Only <input type="checkbox"/> Fee & Commissions
<input type="checkbox"/> 7	Level 4 Comprehensive Financial Planning ³	<input type="checkbox"/> Hourly	\$250- \$300 per hour	Billed upon completion	<input type="checkbox"/> Fee Only <input type="checkbox"/> Commissions Only <input type="checkbox"/> Fee & Commissions
<input type="checkbox"/> 8	Other Products and Services	<input type="checkbox"/> Hourly	\$100- \$300 per hour	Billed upon completion	<input type="checkbox"/> Fee Only <input type="checkbox"/> Commissions Only <input type="checkbox"/> Fee & Commissions
		<input type="checkbox"/> Flat	\$250- \$5000	50% in advance, 50% upon completion	
³ The specific services offered at each level of Financial Planning can be found in Appendix B of the Agreement and under Item 4 of this Brochure.					
⁴ Adviser may choose to be compensated by 1) financial planning fees only; 2) commissions from the sale of products recommended during the financial planning process or 3) a combination of the two.					
All fees assessed by MWAFS are subject to negotiation at the sole discretion of MWAFS.					

Hourly Fees

The Adviser may charge an hourly fee for their financial planning services or other services. Fees are based on an hourly rate of \$100 to \$300/hour. It is possible that the services offered may be obtained elsewhere for a lower charge.

The hourly rate is determined based on anticipated work to be done and the Client's financial situation. Since the Adviser cannot accurately determine the hourly fee amount until learning about

Client's financial circumstances, it is the Adviser's practice to provide an initial, no obligation, no cost meeting, in order to become familiar with the Client's circumstances.

Adviser will obtain information from the Client verbally and from current documents approved for use by MWAFS. The information gathered during this session will assist the Adviser in determining the most appropriate course of action for the Client's financial and investment goals.

Assessment of Hourly Fees

Hourly fee(s) will be billed in arrears, as specific services are performed. Hourly fees will be calculated by multiplying the number of hours of service performed by the designated hourly rate. Billing will be in increments of fifteen (15) minutes.

Unless payment is received in full at the time the agreement is signed, an invoice will be mailed by the home office to the Client and payment shall be due and payable within 15 calendar days of the date of the invoice.

Flat Fees

Adviser may charge a fixed fee for their advisory services. The fixed fee range is from \$250 to \$5,000, depending upon the level and scope of the services required.

The determination of the fixed-fee amount will vary based upon any number of factors which may be specific to each individual Client's set of circumstances. Advisory services that are anticipated to be more complex will generally warrant a higher fixed-fee amount. Less complex services will generally result in a lower fixed-fee amount.

Adviser will obtain information from the Client verbally and from current documents approved for use by MWAFS. The information gathered during this session will assist the Adviser in determining the fee amount for the services provided.

Assessment of Flat Fees

Upon the determination of a one-time flat fee arrangement, MWAFS may request advance payment of one half of the entire flat fee amount prior to performing the agreed upon advisory services. In such cases, MWAFS will not accept advance payments greater than \$1,200 and more than 6 months in advance. Financial plans are generally completed within six months of contract signing. Upon completion of the services, any unpaid portion of the initially agreed upon flat fee shall be due within 15 calendar days of the date of the invoice provided to the Client.

Commission Based Fees

All fees paid to MWAFS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and variable annuities. These fees and expenses are described in their prospectus and will generally include a management fee, other fund expenses and possibly a distribution fee. There may also be initial or deferred sales charges. The amount of commissions charged for equity, bond, Unit Investment Trust (UIT), and Real Estate Investment Trust (REIT) transactions may vary depending on the investment purchased or sold, the share amount of the transaction, the dollar amount of the transaction, etc. The Client should contact the Advisor for a complete brokerage fee schedule. A Client may invest in some investment products directly without the services of MWAFS. In that case, the Client would not receive the services provided by MWAFS, which are designed, among other things, to assist the Client in determining a portfolio of investments to make up an asset allocation appropriate to the Client's financial situation and objectives. The Client should review both the fees charged by the funds and the fees charged by MWAFS and the other investment advisers chosen to fully understand the total amount of fees to be paid by the Client. Only then will the Client be able to fully evaluate the advisory services being provided and the fees being paid.

Other Compensation

MWAFS is registered as a broker/dealer with FINRA and the SEC. It is also a Registered Investment Advisory firm, providing investment advice to certain customers as appropriate. Supervised persons with MWAFS may be associated with the Firm not only as Investment Adviser Representatives ("IAR") but also as Registered Representatives ("RR"). Advisers may sell proprietary or non-proprietary annuity products, commission based mutual funds, no-load funds, fee-based brokerage accounts and fee-based managed accounts. For more information on brokerage services offered through MWAFS, please refer to "Item 12: Brokerage Practices".

MWAFS and its Advisers have a fiduciary obligation to act in the Client's best interest, but do have an incentive to recommend certain investment products based on the compensation received rather than on a client's needs. There is a potential conflict of interest as MWAFS or the Adviser may be compensated at a higher rate on some products over others and thus may recommend the higher rate products. There are certain circumstances in which some products will be more suitable and appropriate in meeting the Client's needs where the adviser will receive greater compensation than if another product was used which could create a potential conflict of interest. The Adviser will inform the Client of the differences in products, features and fees prior to finalizing any transaction.

In the event that MWAFS would become aware of a situation where a conflict of interest has occurred, or the Client's best interest is not being met, the firm would take steps to investigate the matter, gathering facts and information from relevant parties, including the Adviser, reviewing the applicable rules, etc. After the investigation, action deemed appropriate by MWAFS will be taken.

Termination of the Agreement

If the Client cancels the Agreement after MWAFS has completed the services requested, the Client shall be charged for the services completed. Should the Client terminate the Agreement within five business days after signing, no charges or penalties will be assessed. Client will be responsible for any fees or charges incurred by Client from third parties as a result of maintaining the account or for any securities transactions executed. The Client will receive a pro rata refund of any pre-paid financial planning fees attributable to any period after the date of termination via check from MWAFS. Pershing refunds will be credited to the client via the same method used to distribute the proceeds of the account to the client (i.e. transfer, check, etc.).

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

MWAFS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). MWAFS also does not engage in side-by-side management (a situation where an adviser would manage accounts with performance-based fees and accounts that have other types of fees, such as flat or asset-based fees).

Item 7 – Types of Clients

MWAFS provides supervisory and asset management services to individuals, trusts, high net worth individuals, corporations and other small businesses.

MWAFS will not provide advisory services to a state or local government as defined under SEC Rule 206(4)-5, commonly referred to as the Pay-to-Play rule.

Minimum account size for managed account programs may vary and may be negotiable at the discretion of the third-party manager and are outlined in their Form ADV Part 2. Fee-based brokerage accounts through Pershing have a \$50,000 required minimum account balance. MWA Financial Services reserves the right to request additional funds or securities be deposited whenever the asset value of the account falls below the \$50,000 minimum balance. See the Wrap Program Brochure, Item 6-Managed Accounts, for more information on Managed Account Programs.

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

MWAFS primarily uses fundamental, technical and charting methods to analyze investments it recommends to Clients. Fundamental analysis makes use of economic and financial information in making investment decisions. Technical analysis uses past price movements of securities to

determine investment recommendations. These price movements can be plotted to search for particular patterns which can also be used in developing investment recommendations. This is known as charting.

MWAFS cannot guarantee the analysis methods used will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that the client should be prepared to bear. The Client should understand that investment decisions made for their account by MWAFS and its Advisers are subject to various market, currency, economic, political and business risks. The investment recommendations made for you will not always be profitable nor can MWAFS guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology MWAFS offers are listed below:

Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

Technical Analysis risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

Overall Risks

Clients need to remember that past performance is no guarantee of future results. All investments in securities carry some level of risk. You may lose some or all of the money you invest, including your principal, as the securities may increase or decrease in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Clients should consider the investment objectives, risks, charges and expenses of an investment before investing. Regardless of the method used to make recommendations, investment products

may be subject to various market, interest rate, currency, economic, political and business risks and the purchase or sale of any investment products will not always result in a profitable performance. Clients should consider how each investment fits into their overall investment program.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

Adviser does not guarantee the future performance of the investment products, strategies, or recommendations described in this Brochure.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MWAFS or the integrity of our management. MWAFS adheres to high ethical standards for all Advisers and associates.

In January 2016, the Missouri Securities Division (the Division) alleged that a registered representative engaged in dishonest and unethical practices when he recommended the liquidation of an account to fund a Modern Woodmen of America fixed annuity, alleging the application for the annuity was completed without sufficiently determining the investor's actual net worth and knowingly entering inaccurate information in order to pass the suitability review. The Division alleged that MWAFS had failed to reasonably supervise the representative in this transaction. Consenting to the order, the Firm will be conducting additional training to all Missouri representatives, paying \$10,000 to the Investor Education and Protection Fund and paying \$5,000 for the cost of the investigation. As of the date of this Brochure, no orders have been filed regarding the representative.

Item 10 – Other Financial Industry Activities and Affiliations

MWAFS is registered as a broker/dealer with FINRA. MWAFS and/or its related persons are involved in other business activities including that of selling other financial products. Related persons may

spend nearly 90% of their time on these other activities, which may include the offering of approved products.

Modern Woodmen of America (“MWA”), a fraternal life insurance company and the parent company of MWAFS, owns another subsidiary, MWABank. Clients of MWAFS may also be Clients of Modern Woodmen of America and/or MWABank. MWAFS Clients are not required to do business with either company. MWABank does not maintain custody of any MWAFS Clients’ securities or investment accounts.

In addition, MWAGIA, a general insurance agency, is a wholly owned subsidiary of MWAFS. Advisers may offer insurance products to MWAFS Clients in connection with their association with MWAGIA. Some MWAFS Clients may choose to purchase insurance products from MWAGIA; however they are not required to do so.

Advisers must be contracted with Modern Woodmen of America prior to being registered with MWAFS unless he/she is considered an independent advisor with MWAFS. Please see Independent Advisor section below for more information. There is the possibility of a conflict of interest as the Adviser has a production requirement with Modern Woodmen in order to retain their contract, which requires the sale of Modern Woodmen’s proprietary products. Clients may choose to purchase insurance through Modern Woodmen or its subsidiaries; however there are approved non-proprietary products available.

Independent Advisers

On a limited basis, MWAFS may allow certain other advisers to contract with them without being contracted with Modern Woodmen of America. These Independent Representatives that are contracted only with MWAFS, as registered representatives and investment adviser representatives, are not contracted with MWA and are not permitted to sell insurance and annuity products offered through MWA or its general insurance agency subsidiary, MWAGIA. However, they may offer insurance and annuity products through other approved companies.

Third Party Managers

There are some situations where the Client may desire comprehensive management of their accounts, such as is offered by 3rd party managers. In situations where it is appropriate, MWAFS may recommend their use. However, Clients are not required to use them. MWAFS receives compensation from those management firms for assisting and advising the Client. The fees assessed by these firms may be greater than if the 3rd party managers were not used. The Adviser will inform the Client of the differences in available products, services and fees prior to finalizing the agreement.

The sale of securities and or insurance products will result in the Adviser receiving commissions for the sale of those products.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MWAFS and its Advisers adhere to the MWAFS Code of Conduct policy. Our Code of Conduct reflects our commitment to the highest standards of behavior in every activity undertaken by MWAFS. The policy includes topics on honesty and integrity, workplace conduct, harassment and discrimination, confidentiality and privacy, conflicts of interest and gifts or gratuities. In addition, certain prohibited acts are covered, such as commingling and unauthorized use of funds, misrepresentation, replacements, rebating, forgery and theft.

Clients or prospective Clients may request a copy of the firm's Code of Conduct by contacting MWA Financial Services.

MWAFS or its related persons do not have a material financial interest in any firm whose securities or investment products they may recommend a Client buy or sell.

MWAFS' Advisers may invest for their own accounts or have some direct or indirect financial interest in the same securities or other investments that they recommend for Client accounts. Advisers may also engage in transactions for their own accounts that are the same as or different than transactions recommended for Client accounts.

Such transactions are permitted if completed and reported in compliance with MWAFS' policy on personal securities transactions. Generally, personal securities transactions will not be executed when an order for the same or a related security is pending for the account of the Client. An MWAFS Designated Principal reviews reports of personal transactions in securities by MWAFS supervised persons on a daily basis. In the event that a review uncovers an instance of trading ahead, MWAFS management will be notified and appropriate action taken to ensure the best interest of the Client is followed.

None of MWAFS' Advisers may effect for themselves or their immediate family (i.e. spouse, minor children, persons whom they directly support or have Power of Attorney for, collectively referred to as "Covered Persons") any transactions in a security which is being actively recommended to any of their Clients, unless in accordance with the following Firm Procedures:

Firm Procedures

In order to implement MWAFS' Investment Policy, the following procedures have been put into place:

1. If an Adviser is recommending that any Client buys a security, no Covered Persons may purchase that security prior to the Client's purchase of that security; and
2. If an Adviser is recommending that any Client sells any security, no Covered Persons may sell that security prior to the Client's sale of that security.

It is the primary intent of the preceding procedures is to ensure that the best interests of the Firm's Clients are always served over that of the Firm's. Trading by or on behalf of the Firm and/or its Covered Persons that results in the interests of the Firm or its Covered Persons being served over that of its Clients could be considered a breach of the Firm's fiduciary duty and thus is aggressively discouraged.

It is MWAFS' policy that the firm will not affect any principal or agency cross transactions in securities for Client accounts. MWAFS will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as a principal for their own account, buys from or sells any security to any advisory client from their own account. An agency cross transaction is defined as a transaction where an Investment Advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an Advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

MWAFS does not receive any soft dollar benefits from other brokers or 3rd parties. Soft dollar benefits are research, products or services (other than executions of transactions), received by a broker/dealer in exchange for the firm directing trades to the other broker.

Advisers will inform clients that Pershing, LLC. is the recommended broker-dealer for fee-based brokerage accounts; however they are not required to use them. MWAFS has agreements with several third-party management firms with which the client may choose to open a fee-based account.

MWAFS financial planning Clients are not required to implement their financial plan through any specific broker-dealer.

MWAFS understands and acknowledges that at all times it owes a fiduciary duty to Clients to obtain best execution for their transactions and to seek the most competitive costs for such. MWAFS strives to keep the Client's total cost in each transaction as favorable as possible under the prevailing market conditions.

While the lowest possible transaction cost is one of the primary concerns when considering brokers or dealers to process Client transactions, other factors such as best execution, Client servicing, availability of research and educational materials, etc. also go into MWAFS' consideration and recommendation of other brokers or dealers. Thus Clients may experience individual transactions

costs and commissions that may be higher or lower than costs charged by brokers or dealers not recommended by MWAFS for the delivery or performance of the same or similar services.

MWAFS does not consider whether a firm provides referrals as one of the criteria for recommending a particular firm.

Transactions for the Client's account generally will be effected independently, unless MWAFS decides to purchase or sell the same securities for several Clients at approximately the same time. MWAFS may (but is not obligated to) combine or "batch" such orders to obtain best execution and to negotiate more favorable transaction rates. To the extent that MWAFS elects to aggregate Client orders for the purchase or sale of securities, including securities in which MWAFS's principal(s) and/or associated person(s) may invest, MWAFS shall generally do so in accordance with the parameters set forth in the SEC Staff's No-Action Letter, SMC Capital, Inc. MWAFS will not receive any additional compensation as a result of the aggregation.

Item 13 – Review of Accounts

The Firm will review Client holdings periodically. The Designated Principal shall review the customer holdings for best execution (where applicable), suitability and service.

Transaction suitability is reviewed by a Designated Principal through daily reports. The Designated Principal will review the executed transactions, comparing them to the Client's financial information, investment objective, and risk tolerance.

Events that may trigger further Client account reviews in addition to the standard quarterly review process may include, but would not be limited to, an account value less than the minimum required, a large amount of assets being held in a cash or money market account, or a very low amount of activity in the account for an extended time period. A notable increase in the volume of requests by a Client to effect transactions in their accounts, where such transactions may appear to be inconsistent with the Client's previously stated investment objectives may also trigger additional review. Other factors may include requests by a Client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the Client's previously stated investment objectives. An additional triggering factor would be customer complaints.

Annually, the Advisers will be in contact with their Clients to review their accounts and update the Client information. It is to be explained that the Client should provide the Adviser with notice once the Client's investment objectives or financial situation changes. However, the Adviser is calling to ensure the Firm has the latest information for the Client.

Reviewers:

The following individuals are responsible for account reviews:

Pamela S. Fritz, Chief Compliance Officer, Chief Operations Officer

Michael J. Hetrick, Sr. Compliance RIA Principal

Nathan W. Neighbour, Compliance Principal

Ms. Fritz will employ the procedures noted above for each Client account subject to MWAFS' investment management services.

Client will receive a statement at least quarterly from the custodian of his/her account, detailing all transactions and fees deducted from the account for the calendar quarter. It is the Client's responsibility to verify the fees deducted, as the custodian does not do so.

Item 14 – Client Referrals and Other Compensation

MWAFS generally prohibits its Advisers from receiving or paying finder's fees or referral fees for any securities business, with the following exception;

The fee paid to the Adviser by third-party managers is compensation for servicing the client's account. Because MWAFS is acting as a solicitor for the third-party firm, a portion of the fee may be considered a referral fee for recommending the client use the third party manager. Please also see the section on Managed Account Programs under Item 4 of the Wrap Program Brochure for more information.

Additional Compensation

Other than the exception noted above, MWAFS and its Advisers do not have any other arrangements, oral or in writing, where they are paid cash by or receive some economic benefit (including commissions, equipment or non-research services) from a non-Client in connection with giving advice to Clients.

MWAFS and its Advisers have no agreements, oral or in writing, where they directly or indirectly compensate any person for Client referrals.

Item 15 – Custody

MWAFS do not have physical custody of any accounts or assets. MWAFS uses Pershing as the custodian and/or broker-dealer for all your accounts. Clients should receive monthly or quarterly

statements from the qualified custodian that holds and maintains the Client's investment assets. MWAFS urges Clients to carefully review such statements and compare them to the account statements that the Adviser may provide to you. Adviser-created statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Discrepancies should be brought to the attention of the Adviser or MWAFS.

Item 16 – Investment Discretion

MWAFS' Advisers do not accept discretionary authority for any accounts.

The third party money manager and/or custodians may have discretion over your account. The Advisory Agreement details this in full.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, MWAFS and its Advisers do not have any authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. The Adviser may provide advice to Clients regarding the Clients' voting of proxies. The custodian will forward you copies of all proxies and shareholder communications relating to your account assets.

Item 18 – Financial Information

Upon request, the Adviser will provide you with information or disclosures about MWAFS's financial condition. MWAFS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

MWAFS and its Advisers do not have discretionary authority or custody of client funds or securities.

In no event shall MWAFS charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.