



M. GRIFFITH INVESTMENT SERVICES, INC.
SEC File No. 801—64649

555 FRENCH ROAD, BUILDING 2
NEW HARTFORD, NY 13413

Phone: 315-797-0130
Email: mgriffithinc@mgriffithinc.com
Website: www.mgriffithinc.com

M. Griffith Investment Services, Inc. is an SEC-registered investment adviser.
This registration does not imply any level of skill or training.

DECEMBER 31, 2017

This disclosure brochure (ADV Part II) provides information about the qualifications and business practices of M. Griffith Investment Services, Inc. If you have any questions about the contents of this brochure, please contact us at 315-797-0130 or mgriffithinc@mgriffithinc.com.

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.

Additional information about M. Griffith Investment Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 - Summary of Material Changes

Our Brochure was last updated on December 31, 2016. This section will note any material changes that may have been made since our last printed Brochure.

The material changes from the December 31, 2016 M. Griffith Investment Services, Inc. Brochure are:

- MGI now sponsors Wrap Fee Programs. A full copy of the new Wrap Fee Program brochure will be sent to all clients who have an Wrap Fee Investment Advisory account with MGI in March 2018. All clients entering into a wrap fee program will receive a copy of the new Wrap Fee Brochure upon enrolling an investment advisory account with our firm. Annually, all wrap fee program clients will receive a summary of material changes, such as this announcement, regarding their wrap fee program. A full copy of the wrap fee program brochure is available for clients, free of charge, by request at any time by contacting their Financial Advisor.
- From time to time, we and/or our Financial Advisors may hold events for our clients and/or employees. Portions of these events may be subsidized by external vendors, such as mutual fund and insurance companies, in the form of cash or non-cash compensation. Therefore, Financial Advisors may have a financial incentive to recommend the products and services from these external vendors and include their products in the programs we offer.

We will further provide you with a new Brochure or a Summary of Material Changes, free of charge, as necessary.

Item 3 - Table of Contents

| | | |
|-----------|---|----|
| Item 2 - | Summary of Material Changes | 2 |
| Item 3 - | Table of Contents | 3 |
| Item 4 - | Advisory Business | 4 |
| Item 5 - | Fees and Compensation | 5 |
| Item 6 - | Performance-Based Fees and Side-By-Side Management | 7 |
| Item 7 - | Account Requirements and Types of Clients | 7 |
| Item 8 - | Methods of Analysis, Investment Strategies and Risk of Loss | 7 |
| Item 9 - | Disciplinary Information | 7 |
| Item 10 - | Other Financial Industry Activities and Affiliations | 8 |
| Item 11 - | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 8 |
| Item 12 - | Brokerage Practices | 9 |
| Item 13 - | Review of Accounts | 9 |
| Item 14 - | Client Referrals and Other Compensation | 10 |
| Item 15 - | Custody | 10 |
| Item 16 - | Investment Discretion | 10 |
| Item 17 - | Voting Client Securities | 11 |
| Item 18 - | Financial Information | 11 |

Item 4 - Advisory Business

Description of Our Firm and Principal Owners

Founded on September 24, 1947 by the late Richard R. Griffith, M. Griffith Investment Services, Inc. (MGI) is a full-service investment advisory and financial planning firm located at 555 French Road, Building 2, New Hartford, New York, 13413. MGI is considered a dually registered firm which means that we operate a full-service broker dealer division as well as an investment advisory division. We also offer insurance services in addition to our brokerage and investment advisory services. With the exception of our advisory services for ERISA plans and ERISA plan participants, all of our investment advisory business is processed through our broker dealer division. Investment advisory business of MGI is not processed through any other broker dealer. All clients who wish to enroll in a wrap fee program with MGI are required to establish a brokerage account for this purpose. The wrap fee programs offered by MGI are a combination of proprietary programs and also programs offered through MGI's clearing firm, Wells Fargo Clearing Services, WFCS. Some programs may include the services of an outside 3rd party investment managers.

MGI's current President and CEO is David T. Griffith, son of the late Richard Griffith, who joined his family's firm in 1968. MGI is wholly owned by MGL Associates, Inc., its parent company. MGL Associates, Inc. is in turn, wholly owned by David T. Griffith and the MGI Employee Stock Ownership Plan (ESOP) which is a retirement benefit plan for the employees of M. Griffith Investment Services, Inc.

Types of Advisory Services Offered

Financial Planning and/or Portfolio Management

MGI provides Financial Planning and/or Portfolio Management services for individuals as well as for small and large corporations/ organizations. We focus on providing our clients with comprehensive financial management of their accounts. MGI utilizes long term investment strategies that are tailored to address a client's individual circumstances and goals to include their:

- Risk Tolerances
- Capital Appreciation Objectives
- Income and Liquidity Requirements
- Tax Implications
- Transfer of Wealth Considerations
- Philanthropic Goals
- Investment Horizon

MGI uses several different types of investment products to help our clients achieve their goals. We meet with each client individually to discuss what types of investment products are best for them, which may include:

- Equity securities such as exchange listed, foreign issues, over-the counter, Closed End Funds and ETF's
- Warrants
- Certificates of deposit
- Investment company securities such as mutual fund shares
- US Government securities
- Corporate debt securities
- Municipal securities

Wrap Fee Programs

MGI sponsors several different wrap fee programs. A wrap fee program is an investment account where you are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses. While wrap fee programs may be called different names—such as asset allocation program, asset management program, investment management program, or separately managed account—the defining feature is that a wrap fee program offers bundled investment management and brokerage services for one fee. Our financial planning services practices are provided to our clients on an hourly, monthly, quarterly, annual or flat fee basis for the services we provide. This is different than the wrap fee programs that we provide in which the client is charged a monthly or quarterly fee for the ongoing management of their investment advisory account. Please refer to our Wrap Fee Brochure for additional information regarding the different wrap fee programs that MGI has to offer.

Wrap fee programs can be either **Discretionary or Non-Discretionary**. A Discretionary investment advisory account is an account where buy and sell decisions are made by a portfolio manager or your Financial Advisor for your account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager's or Financial Advisor's discretion. A Non-Discretionary investment advisory account is an account where buy and sell decisions are made by the client. This means that the client must direct all transactions to be completed on an account. The Financial Advisor or portfolio manager does not have the ability to complete transactions without first getting permission from the client.

We sponsor a number of wrap fee advisory programs that are designed to help you meet your investment objectives and goals. They include 3rd Party Management Programs, Financial Advisor Directed Programs and Non-Discretionary

Client Directed Advisory Programs which are described in the Wrap Fee brochure. Please refer to our Wrap Fee Brochure for additional information regarding the different wrap fee programs that MGI has to offer.

Advisory Services for ERISA Plans

MGI provides advisory services to retirement plans subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), including participant-directed defined contribution plans, such as 401(k) plans, and defined benefit plans ("ERISA Plan Clients"). Each ERISA Plan Client is required to enter into an advisory agreement with MGI (the "Advisory Agreement") describing the services that MGI will perform for the ERISA plan and its participants.

MGI provides both ERISA fiduciary services and non-fiduciary services to ERISA Plan Clients. MGI's fiduciary services include providing ERISA Plan Clients with investment advice about asset classes and investments, assisting in the selection of investments, assisting in the development of an investment policy statement, and monitoring investment performance. MGI also provides investment advice to participants of ERISA participant-directed plans. These plan-level and participant-level investment advisory services are provided on a nondiscretionary basis and the ERISA Plan Client and plan participant (in the case of participant-level advice) retains and exercises final decision-making authority and responsibility for the implementation (or rejection) of MGI's recommendations.

MGI's non-fiduciary services include educating the ERISA Plan Client as to its fiduciary responsibilities, assisting the ERISA Plan Client in monitoring, selecting and supervising service vendors and in the case of participant-directed plans, assisting in group enrollment meetings and educating plan participants about general investment principles and the investment alternatives under the plan.

For a more detailed description of MGI's services, the ERISA Plan Client should refer to the Advisory Agreement.

How Services are Tailored to Fit Client Needs

MGI's investment policy process is centered on the client. We work with our clients to understand their financial circumstances and goals. Creation of the Investment Policy Statement (IPS) is our first step. The IPS serves as the governing document for all investment decision making. This document lays out the overall investment goals for the portfolio. Specifically, it focuses on translating client goals into a set of investment objectives. These objectives involve risk tolerance from both a willingness and ability to accept financial risk as well as return objectives.

In addition, the IPS provides a framework for MGI to discuss with our client the processes we will utilize for monitoring, reviewing and rebalancing their account. The IPS helps us work with the client to establish:

- How performance will be measured for the account.
- Benchmarks and the frequency of reporting the client would like to see.
- A plan for when and how often the client would like to meet with us to discuss their account.

Clients may stipulate if they would like to restrict us from purchasing certain products or securities in their account. We will comply with any reasonable instructions and/or restrictions you give us when making recommendations for your account. Reasonable instructions generally include the designation of particular mutual fund/securities or types of mutual funds/securities that should not be purchased for the account.

If your restrictions are unreasonable or if we believe that the restrictions are inappropriate, we will notify you that, unless they are modified, we may remove your account from the program. You will not be able to provide instructions that prohibit or restrict the investment advisor of a security with respect to the purchase or sale of specific securities or types of securities within the security itself.

Management of Client Assets

MGI investment advisory accounts are managed on either a discretionary or non-discretionary basis, determined at the time the account is opened based on our client's written authorization or in the case of ERISA Plan Clients, at the time the Advisory Agreement is executed. As of December 31, 2017, MGI had the following client assets under management (AUM):

- \$682,072,104 AUM for discretionary accounts
- \$820,604,530 AUM for non-discretionary accounts

Item 5 - Fees and Compensation

Advisory Services for Financial Planning and Wrap Fee Programs

MGI is an investment-based adviser. We offer our clients several different wrap fee programs that contain different investment options as well as different fee structures. The fees for the wrap fee programs are annualized, based on a percentage of the dollar value of the assets under management in the account. All wrap fee programs and their various fees are stipulated separately in our Wrap Fee Brochure. Some of our wrap fees are negotiable. Our Wrap Fee Brochure details the various fees associated with each program and whether the fees are negotiable or not for each specific program. For additional information regarding fees and compensation for the different wrap fee programs that MGI offers, please refer to our Wrap Fee Brochure.

Our Financial Planning fees are negotiable and vary upon the complexity of the services that will be provided and may vary from client to client. Clients can establish a program with their Financial Advisor to see if an hourly, monthly, quarterly, annual or flat fee is best for the services they are requiring. Financial planning services are in addition to brokerage transactions that may occur in an account. Financial planning fees can be rebated back to a client if the client determines that a wrap fee program is a better fit for them.

Clients should be aware that if they elect to have a margin debit balance on their account, it will not reduce the market value of the eligible assets. The use of margin is not suitable for all investors, since it increases leverage in the client's account and therefore it's risk. Please review the margin disclosure statement and general account agreement & disclosure document from WFCS for more details on risks of margin use.

Financial planning fees are invoiced to the client based on the amount pre-determined on the MGI Fee Schedule. This amount is determined on the rate established or negotiated between the client and their Financial Advisor depending the level of complexity of the services they are requiring. Invoicing for fees can be calculated on an hourly, monthly, quarterly, annual or flat fee rate. The fee can be invoiced directly to the client at the time the services are rendered.

In addition to MGI's financial planning fees, clients will also incur standard commission charges for any transactions that they complete for any type of security purchased and sold. Financial planning services are for accounts held in a standard brokerage account with MGI as the broker dealer of record. Some clients require only financial planning services from MGI and do not complete transactions at MGI. Instead, they take the information that has been represented and complete transactions of their own, on their own at another vendor/firm. It is important to know that any costs associated with transactions that a client completes at another vendor/firm are in addition to any financial planning fees they have paid to MGI. In addition, if they hold mutual funds in their account, they will incur normal expenses and advisory fees imposed by the mutual funds held in the account (expense ratios are listed in each fund's annual report). Some mutual funds impose fees if they are sold prior to their short term holding periods. Short term trading fees are detailed in each mutual fund's prospectus.

Clients may also incur brokerage and/or other transaction costs from our custodian. These costs include but are not limited to handling fees, wire transaction fees, and check writing expenses. For more information regarding the costs that are charged to a client from WFCS, please refer to the new account opening disclosure documents sent to the client directly from WFCS. As financial planning services are performed for brokerage accounts, clients are subject to additional 12b-1 fees, commissions and mark-ups for the transactions completed in these types of accounts. MGI has a revenue sharing agreement on file with WFCS, our custodian, regarding fees collected from margin interest, cash balances and handling fees.

In addition to MGI's investment advisory fees, clients will also incur, if they hold mutual funds within the investment advisory account, normal expenses and advisory fees imposed by the mutual funds held in the account (expense ratios are listed in each fund's annual report). Some mutual funds impose fees if they are sold prior to their short term holding periods. Short term trading fees are detailed in each mutual fund's prospectus.

Advisory Services for ERISA Plans

Advisory services for ERISA Plan Clients are provided in exchange for a fee which is negotiable. The fee may be a fixed or an asset-based fee and may vary from client to client, based upon the complexity of the plan, the plan's objectives, and the services to be provided. In the case of asset-based fees, plan asset value is based upon the market value of included plan assets as reported by the plan custodian or record-keeper. Included plan assets are the plan assets for which MGI provides services as described in the Advisory Agreement. Fees may be billed in advance or in arrears and are calculated either monthly, quarterly or semi-annually as agreed to by the ERISA Plan Client under the Advisory Agreement. The fee amount, method of calculation, timing of payment, and whether it is to be paid in arrears or in advance, are also described in the Advisory Agreement.

For advisory services for ERISA Plans, the ERISA Plan is obligated to pay MGI's fee. As agreed to under the Advisory Agreement between MGI and the ERISA Plan Client, the ERISA Plan Client may authorize the Plan custodian to automatically deduct the fee from the Plan or the ERISA Plan sponsor may choose to pay the fee.

MGI is a fiduciary under ERISA with respect to the investment advisory services described in the Advisory Agreement between MGI and the ERISA Plan Client. As such, MGI is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, MGI may only charge fees for investment advice about products for which MGI and/or its affiliates do not receive any commission, 12b-1 fees or other compensation, or conversely, if such compensation is received by MGI and/or its affiliates, MGI will offset such amounts against MGI's stated fee. Where MGI offsets such compensation amounts against its stated fee, MGI will disclose to the ERISA Plan Client the amount of such compensation, the services rendered for such compensation, the payer of such compensation and a description of the arrangement with the payer in accordance with the requirements of ERISA Regulation Section 2550.408b-2(c).

For advisory services provided to ERISA Plan Clients, either MGI or the ERISA Plan Client can terminate the Advisory Agreement at any time, without penalty, by sending the other party 30 days prior written notice. Both parties remain responsible for any transactions initiated before the agreement was terminated. If the ERISA Plan Client is billed in arrears, MGI will deliver a final billing statement prorated for the number of days in the fee period prior to the effective date of termination. If the ERISA Plan Client is billed in advance, MGI will pro-rate the fee based upon the number of days in the fee period prior to the effective date of the termination and refund to the ERISA Plan Client any unearned fee.

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

We do not charge performance-based fees in any of our investment advisory programs. We do not have any side-by-side management situations.

Item 7 – Account Requirements and Types of Clients

MGI does not have specific account requirements for clients that are looking for financial planning or ERISA services, although MGI's wrap fee programs do have specific requirements. For additional information regarding the account requirements for our wrap fee programs, please refer to our Wrap Fee Program brochure.

MGI provides investment advice to individuals, high-net worth individuals, trusts, estates, charitable organizations and corporations. MGI also provides investment advice to retirement plans subject to ERISA including defined benefit plans, participant-directed defined contribution plans such as 401(k) plans and plan participants.

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

MGI's primary investment strategy is to construct strategically allocated portfolios for our clients based on the specific needs and goals of each client. We first determine a client's appropriate risk level, financial situation, investment goals, tax situation and personal preferences (among other criteria). We then construct investment portfolios considering these objectives. MGI uses a range of investment vehicles in client accounts, including mutual funds, index funds, exchange traded funds and various fixed income investments.

To analyze specific investment opportunities, we use several methods of research. We subscribe to a number of professional investment resources and also use other sources of information including newspapers, magazines, fund company information, third party research, annual reports and prospectuses. We consider factors such as style box category, style tilts, historical performance, modern portfolio theory statistics, manager tenure, expense ratio, turnover ratio, tax exposure and valuation metrics. For index funds and exchange traded funds, we also research factors such as tracking error, liquidity, composition, rebalancing strategies, and index methodology and construction. For fixed income investments, we consider specific risk factors such as credit quality, current yield and yield-to-maturity, tax implications and general market conditions. This comprehensive research method ultimately concludes in a focus list of suitable investments.

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

MGI strives to develop diversified portfolios that significantly reduce risk for our clients. However, the methods we use to research investment opportunities does not eliminate all of the risks associated with investing. Even after due diligence using the above strategies and methods, it is possible that we may select investments that will not perform to our satisfaction or may even lose value. Clients should be prepared to bear the risks of loss involved with our strategies and research methods.

Any type of investment, including equities, mutual funds, index funds, exchange traded funds and fixed income carry risk. These investments have specific risk and while we attempt to limit this risk through research and diversification, we cannot completely eliminate the risk. Market risk, which cannot be diversified away, is another risk that will always be inherent when investing and in the markets in general. Clients should be prepared to bear the risks of loss involved with investing in the markets and in different investment vehicles.

Item 9 - Disciplinary Information

MGI is both a broker-dealer and investment advisory Firm. The disciplinary events listed below are related to the activities of the broker-dealer or investment advisory portion of our firm.

For more information on broker-dealer related disciplinary event you may visit:
<https://brokercheck.finra.org/firm/summary/2078>

Our investment advisory disciplinary history is available by going to:
<https://adviserinfo.sec.gov/Firm/2078>

- On November 21, 2008, M. Griffith Investment Services, Inc. resolved allegations that the firm was completing business in the state of Ohio without being registered in the state. All clients involved had relocated to the state of Ohio, from the state of New York. The firm registered in the state of Ohio to resolve the issue.
- On September 10, 1971, M. Griffith Investment Services, Inc. agreed to a settlement with the NASD regarding a client compliant. Due to the age of the compliant, further information is no longer available. Without admitting or denying the complaint, the firm agreed to a censure and fine of \$100.
- On June 17, 1970, M. Griffith Investment Services, Inc. agreed to a settlement with the NASD regarding a client compliant. Due to the age of the compliant, further information is no longer available. Without admitting or denying the complaint, the firm agreed to a censure and fine of \$2,000.
- On June 10, 1964, M. Griffith Investment Services, Inc. agreed to a settlement with the NASD regarding a client compliant. Due to the age of the compliant, further information is no longer available.

Item 10 - Other Financial Industry Activities and Affiliations

MGI is a dually registered firm which means that we are both an Investment Adviser as well as a Broker-Dealer. All of our Financial Advisors, management persons and several support staff are registered representatives of MGI's broker-dealer business.

None of MGI management persons, Financial Advisors or employees are registered, associated with, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading adviser.

MGI's status as a broker-dealer is material to its advisory business. Except for ERISA plan clients, plan participants and pure financial planning clients, all securities transactions for advisory clients resulting from advisory recommendations made by MGI, are affected through MGI in its broker-dealer capacity. This includes all securities transactions effected for advisory clients investing through one of the wrap fee programs offered by MGI. This may create a material conflict of interest as it is possible that the Firm could receive compensation from the same client in both its advisory and broker-dealer capacity. MGI addresses this conflict by disclosing our dual registration status to our clients and not requiring that our brokerage clients purchase advisory services from MGI. Moreover, MGI advisory clients who are required to open brokerage accounts with MGI, are not charged commissions or brokerage-related transaction charges by MGI.

MGI and its Financial Advisors are also licensed as insurance agents with multiple insurance companies and offer insurance products to all of our advisory clients. This arrangement is material to our advisory business because it offers MGI the ability to expand its client base from one business line to another. This arrangement also creates a material conflict of interest since MGI and its Financial Advisors are also in a position to potentially generate insurance-related commissions from advisory clients by offering to sell insurance products to them. MGI addresses this conflict by disclosing our insurance licensing to advisory clients and by not requiring that our advisory clients purchase insurance products from MGI or any of our Financial Advisors.

MGI does not recommend or select other investment advisers for our clients for which MGI receives payment from those advisers. However as described in Item 4 of this Brochure and our Wrap Program Brochure, some of the wrap programs we recommend to clients are those offered by investment advisers affiliated with our clearing firm, WFCS. For those programs, a portion of the advisory fee paid by our clients is paid to these other investment advisers.

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

MGI has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act. The Code lays out the fundamental responsibilities that all employees of the firm must adhere to. MGI employees are required to certify that they have read, understand and will comply with our Code of Ethics. A copy of MGI's Code of Ethics will be provided to any client or prospective client upon request.

MGI and our employees do not recommend, buy or sell any securities for our client accounts in which we have a material financial interest.

MGI, our employees and related persons are allowed to invest in the same securities that are recommended, bought and sold for our client accounts. Mutual fund recommendations, buys or sells do not create a conflict of interest due to the way open-ended mutual funds operate. To minimize or eliminate the possibility of a conflict of interest with recommendations, buys or sells of other securities (such as ETF's, equities, private placements, and IPO's), MGI's

Personal Trading Policies include the following practices that must be followed by all MGI employees as well as all members of the employee's household:

- Employee transactions for ETF's, equities, private placements and IPO's can only be entered after their client transactions for the same securities have been entered.

MGI and our employees are allowed to buy and sell mutual funds for client accounts and their own accounts at the same time. This does not create a conflict of interest, since all orders are traded for the same closing NAV price on the day of trade execution. All parties will receive the same execution pricing on these transactions. Employees and members of the employee's household may desire to trade in the same securities that the firm is trading for our clients. For more information regarding how MGI minimizes or eliminates the possibility of a conflict of interest with recommendations, buys or sells of other securities (such as ETF's, equities, private placements, and IPO's), you may request a full copy of the M. Griffith Investment Services, Inc. Code of Ethics.

Item 12 - Brokerage Practices

With the exception of our advisory services for ERISA plans and ERISA plan participants, MGI processes all investment advisory accounts through MGI's broker-dealer division. MGI clients benefit from the pricing, reporting, execution and service that MGI is able to offer by processing transactions directly with their clearing firm, WFCS, on the client's behalf. MGI chose WFCS as their clearing firm by considering their reputation, executions, pricing, reporting capabilities, research and service that they offer.

Research and Other Soft Dollar Benefits. MGI does not pay for any products, research, service or have any other soft dollar benefit arrangements with any source. MGI also does not direct any type of commissions to any broker-dealer in return for products, research, service or other soft dollar benefit.

Brokerage for Client Referrals. MGI does not consider obtaining referrals as a criterion in its selection of a broker-dealer.

Directed Brokerage. MGI does not permit clients to direct brokerage services through a specific broker-dealer. MGI serves as the broker-dealer for all investment advisory account transactions and WFCS serves as the custodian for all securities and cash held in client accounts.

MGI does not aggregate any of their equity transactions for financial planning or wrap fee clients. Clients do not incur additional costs in brokerage fees by the firm not aggregating transactions. Mutual fund buy and sell orders execute at the end of each trading day, receiving the closing NAV price of the funds. Therefore, all mutual fund buy and sell orders placed on a particular day automatically receive the same price, without the need for aggregation of accounts.

Item 13 - Review of Accounts

MGI accounts are reviewed semi-annually at a minimum. Our investment advisory representatives are in charge of reviewing the current investment strategy, such as the client's asset allocation and the account's performance, making revisions as needed based on a client's changing circumstances and/or the current economic environment. The CCO reviews all client accounts reviewed by the investment advisory representatives, on a semiannual basis, once the investment advisory representative has completed their initial review.

There are three main triggers that may cause a review to happen outside of its normal schedule:

- The first trigger is client specific. It is normally a liquidity event where the client is either requesting funds or depositing funds. In either case, an account review is performed in order to determine the best way to execute the client's wishes.
- The second type of trigger is a function of the overall economy. As our outlook for various asset classes changes it triggers account reviews.
- The third type of trigger is a function of a particular security in an account. As security specific issues arise, they cause account reviews for the affected accounts.

Clients may also request a review of their account at any time. Requests for review can be made by phone call, mail or e-mail. Requested reviews will be performed by the client's investment advisory representative.

Clients may be given written reports quarterly, semi-annually or annually as determined by the client as detailed in their Investment Policy Statement and for the program they have selected. For the MGI ELITE and the SELECT wrap fee programs, the performance report package consists of:

- A Portfolio Overview;

- An Allocation Summary;
- An Allocation Detail report;
- A Position Performance Summary; and
- A Performance Summary

Account performance reports do not replace the account statements issued by WFCS, the account custodian. WFCS issues client statements no less than quarterly, to all investment advisory clients.

Clients will be given written reports quarterly for the CustomChoice, FundSource, Allocation Advisors, Asset Advisor, MASTERS, and PIM wrap fee programs. These are performance reports and do not replace the account statements issued by WFCS, the account custodian. WFCS issues client statements no less than quarterly to all WFCS managed program accounts. Please refer to the WFCS managed program disclosure brochure applicable to the program the client is selecting, for the current listing of reports included with an WFCS performance report.

Item 14 - Client Referrals and Other Compensation

MGI does not pay for or provide any form of compensation for client referrals.

From time to time, we and/or our Financial Advisors may hold events for our clients and/or employees. Portions of these events may be subsidized by external vendors, such as mutual fund and insurance companies, in the form of cash or non-cash compensation. Therefore, Financial Advisors may have a financial incentive to recommend the products and services from these external vendors and include their products in the programs we offer.

Item 15 - Custody

MGI does not have custody of ERISA plan assets. With respect to assets other than ERISA plan assets, it is MGI's intention to only have custody over such assets on a limited basis which would include:

- The ability to calculate and withdraw investment advisory fees from a client's account;
- The ability to accept checks made payable to MGI for deposit into a client's account;
- The ability to accept physical certificates for deposit into a client's account; and
- The ability to access direct instructions without written authorization to issue money funds from a client's account to the address of record.

WFCS, as custodian, issues client statements no less than quarterly to all managed program accounts. Clients should carefully review these statements. MGI issues reports to clients quarterly, semi-annually or annually as described in the section titled 'Review of Accounts'. We urge you to compare the statements received from MGI with the statements that are received from the custodian, WFCS.

Item 16 - Investment Discretion

While our advisory services for ERISA plans and ERISA plan participants are non-discretionary, wrap fee programs can be either **Discretionary or Non-Discretionary**. A Discretionary investment advisory account is an account where buy and sell decisions are made by a portfolio manager or your Financial Advisor for your account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager's or Financial Advisor's discretion. A Non-Discretionary investment advisory account is an account where buy and sell decisions are made by the client. This means that the client must direct all transactions to be completed on an account. The Financial Advisor or portfolio manager does not have the ability to complete transactions without first getting permission from the client.

MGI has discretionary investment authority over some of the accounts we manage. Prior to assuming discretionary authority, for clients that would like to grant discretionary authority to MGI, clients are given a discretionary account agreement, a copy of MGI's current disclosure brochure ADV Part II. If discretionary authority is to be given to WFCS for one of WFCS's managed products such as the MASTERS program, clients are given a discretionary account agreement, a copy of MGI's current disclosure brochure ADV Part II and a copy of WFCS's disclosure brochure for the WFCS managed program if applicable. By signing the MGI discretionary account agreement or one of the WFCS discretionary account agreements, clients grant MGI and/or WFCS discretionary investment authority over their account. Detailed information regarding with wrap fee programs provide discretionary authority is available in MGI's Wrap Fee Brochure document.

There are not any explicit limitations on the discretion authority that MGI has to manage an account. However, each client's Investment Policy Statement or WFCS managed account agreement lays out how an account will be managed. In this Investment Policy Statement or WFCS managed account agreement, there are sections for specifically detailing any constraints that a client or account has. These types of constraints are handled on a case by case basis.

Clients should refer to the WFCS disclosure brochure and managed program agreement for any explicit limitations on the discretion authority that WFCS has to manage an account. Each client's managed account agreement lays out how the account will be managed. In this agreement, there are sections for specifically detailing any constraints that a client or account has. These types of constraints are handled on a case by case basis.

Item 17 - Voting Client Securities

MGI does not have responsibility for voting (or recommending how to vote) proxies for ERISA plan investments. For clients that are not ERISA Plan Clients, MGI does not vote proxy statements for any investment advisory account. Proxy statement information is forwarded directly from WFCS and/or the transfer agent to the client's address of record for the account. Clients may contact their financial advisor that handles their account at any time to ask questions regarding a proxy solicitation they have received.

Item 18 - Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. MGI has no financial commitment that impairs its ability to meet contractual commitments to our clients and has not been the subject of any bankruptcy proceedings.