



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

MID ATLANTIC FINANCIAL MANAGEMENT, INC.

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This wrap fee program brochure provides information about the qualifications and business practices of Mid Atlantic Financial Management, Inc., a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at (412) 391-7077. 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.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Mid Atlantic Financial Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

This *Wrap Fee Program Brochure* ("Wrap Brochure"), dated March 31, 2020, provides you with a summary of Mid Atlantic Financial Management, Inc.'s ("us", "Firm" or "MAFM") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things.

This Item contains material changes from our last annual update dated March 29, 2019, including material changes contained in our interim amendment dated October 25, 2019.

Item 4. Service, Fees and Compensation

We have changed our practices regarding 12b-1 fees. Certain MAFM advisory Programs have higher total fees than other advisory programs based on a number of factors including, but not limited to management fees and administrative fees. A conflict of interest exists to the extent that we have a financial incentive to recommend a particular advisory program that results in additional or greater compensation to MAFM. MAFM does not seek to offer mutual funds or share classes that are necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory account, such as ETFs. In addition to the Management Fee paid to MAFM (as more fully described in Item 4 of this Wrap Fee Brochure), you will also bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser, distribution, shareholders services or other fees. These expenses are an additional expense to you and not covered by the fees for program services; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to our investment advisory fee, when considering any advisory program and the total compensation MAFM receives. Most of the mutual funds included on the MAFM platform do not pay MAFM or our affiliates 12b-1 fees. Any 12b-1 fee payments we do receive for eligible mutual funds held in advisory accounts are credited back to the client.

Item 9. Additional Information, Disciplinary Information:

In 2018, the Firm was contacted by the staff of the U.S. Securities & Exchange Commission ("SEC") regarding the Firm's earlier disclosures and practices related to the recommendation of mutual fund share classes that paid MAFM distribution fees pursuant to Section 12b-1 of the Investment Company Act of 1940 and SEC Rule 12b-1 thereunder ("12b-1 Fees") when a lower cost share class that did not pay 12b-1 Fees was available. MAFM cooperated fully with the SEC staff regarding its inquiry respecting those matters and, on September 30, 2019, the Firm entered into a settlement with the SEC. Under the settlement, the Firm, without admitting or denying any violation or wrongdoing, consented to findings related to alleged breaches of fiduciary duty and inadequate disclosures in connection with the Firm's mutual fund share class selection practices and the fees it received. The settled administrative order states that, at times during the relevant period, the Firm purchased, recommended, or held for advisory client's mutual fund share classes that charged 12b-1 Fees instead of lower-cost share classes of the same funds for which the clients were eligible. The settled order also states that the Firm received 12b-1 Fees in

connection with these investments that the Firm failed to disclose in its form ADV or otherwise. Further, the order states that the Firm breached its duty to seek best execution for certain clients by investing them in mutual fund share classes that paid 12b-1 Fees rather than lower-cost share classes, and that the Firm failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Investment Advisers Act of 1940 (“Advisers Act”) and the rules thereunder in connection with its mutual fund share class selection practices. As a result of the alleged conduct, the SEC found that MAFM willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. The order required MAFM to cease and desist from committing or causing future violations, and the Firm was censured, and ordered to pay disgorgement of \$900,069 to impacted clients, together with prejudgment interest and a civil money penalty in the amount of \$300,000. MAFM also agreed to certain undertakings under the settlement. In determining to accept the Firm’s settlement offer, the SEC considered other remedial acts promptly undertaken by MAFM and the cooperation afforded the SEC staff by the Firm. The Firm has paid the civil money penalty and distributed disgorged funds to impacted clients. MAFM also implemented policy and procedural changes as well as operational changes that it believes are reasonably designed to prevent future violations.

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ITEM 4. SERVICES, FEES AND COMPENSATION

This Wrap Brochure provides information to clients and prospective clients of Mid Atlantic Financial Management, Inc. ("MAFM", "Firm", or "us"), an SEC registered investment adviser, regarding its wrap fee programs. A wrap fee program is any program under which a specified fee(s), not based directly upon transactions in a client's account, is charged for investment advisory services and execution of client transactions. These investment advisory services may include portfolio management or advice concerning the selection and monitoring of third-party investment advisers.

MAFM, through its Financial Advisers ("FAs"), tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. MAFM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify their FA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if MAFM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts. MAFM's advisory services and fees are described generally below and are detailed in each client's Advisory Agreement.

MAFM offers several different investment Programs on a wrap fee basis ("Programs").

1. **Mid Atlantic Portfolio Solutions ("MAPS").** MAPS is a wrap fee program through which clients sign a single advisory agreement whereby they (1) hire MAFM to provide investment advice concerning the selection of a limited number of unaffiliated third party investment advisers ("Managers") and (2) appoint one or more such Managers to manage their assets on a discretionary basis. A Client's account must have an initial minimum asset value of \$100,000 to participate in the MAPS program. The fee schedule for this service is as follows:

<i>Equity and Balanced Accounts</i>	
\$100,000 - \$1,000,000	2.75% of assets
\$1,000,000 - \$2,000,000	2.50% of assets
<i>Fixed Income Accounts</i>	
\$100,000 - \$1,000,000	2.00% of assets
\$1,000,000 - \$2,000,000	1.75% of assets

2. **Separate Account Solutions ("SAS").** Through the Separate Account Solutions program ("SAS"), MAFM provided advice regarding the selection and retention of

third party investment advisers offered through Envestnet. In selecting third party investment advisers, MAFM takes into consideration the client's investment objectives, financial situation, risk tolerance, and reasonable investment guidelines. Clients in the SAS Program may also receive asset allocation advice, ongoing manager diligence, and performance measurement reports. To be eligible for participation in SAS, client accounts must have a minimum asset value of \$100,000. The fee schedule for this service is as follows:

<p><i>Equity and Balanced Accounts</i> \$100,000 - \$1,000,000 2.75% of assets \$1,000,000 - \$2,000,000 2.50% of assets</p>
<p><i>Fixed Income Accounts</i> \$100,000 - \$1,000,000 2.00% of assets \$1,000,000 - \$2,000,000 1.75% of assets</p>

- 3. LMK Advisors (“LMK”)** LMK Advisors is a group of FA’s at MAFM who specialize in providing comprehensive financial and wealth strategies on a discretionary basis. The LMK team provides value added management and advice. The service begins with the establishment of an investment policy statement. The policy statement identifies the client's investment objectives as well as lifestyle, goals, risk tolerance and time horizon. The investment process begins with a top down approach starting with an assessment of the current economic environment. Assets are then allocated among the asset classes. LMK specializes in market cycle investment management and asset allocation in diversified portfolios consisting of investment grade value stocks. To be eligible for participation in LMK, client accounts must have a minimum asset value of \$25,000. The fee schedule for this service:

<p><i>Equity and Balanced Accounts</i> \$25,000 - \$1,000,000 2.75% of assets \$1,000,000 - \$2,000,000 2.25% of assets</p>
<p><i>Fixed Income Accounts</i> \$25,000 - \$500,000 2.25% of assets \$500,000 - \$1,000,000 2.00% of assets \$1,000,000 - \$2,000,000 1.75% of assets</p>

Advisor's Choice ("AC"). In AC, the Client gives their FA discretion to manage the assets in their account in accordance with the client's risk tolerance and investment objectives utilizing a variety of investment including equity and fixed income securities. To be eligible for participation in AC, client accounts must have a minimum asset value of \$25,000. The fee schedule for this service is as follows:

<i>Fixed Income Accounts</i>	
\$25,000 - \$500,000	2.25% of assets
\$500,000 - \$1,000,000	2.00% of assets
<i>Equity and Balanced Accounts</i>	
\$25,000 - \$1,000,000	2.25% of assets
\$1,000,000 - \$2,000,000	2.00% of assets
Over \$2,000,000	1.75% of assets

4. **ManagerxChange® Managers Program (MMP)** MMP is an ETF only model based portfolio program available for Mid Atlantic Trust Company accounts. In MMP, MAFM provides asset consulting services in connection with the selection of the third party investment adviser models, taking into consideration the client's investment objectives, financial situation, risk tolerance, and reasonable investment guidelines. MAFM also provides asset allocation, ongoing consultations and performance measurement reporting. To be eligible for participation in MMP, client accounts must have a minimum asset value of \$100,000. The fee schedule for this service is as follows:

\$25,000 - \$499,999	2.00% of assets
\$500,000 - \$999,999	1.75% of assets
Over \$1,000,000	1.50% of assets

5. **Mid Atlantic Fund Strategy ("MAFS").** MAFS is a wrap fee program which uses select mutual funds and/or ETF's. Investment objectives are dependent upon the particular fund strategy selected. MAFS is designed for accounts with a minimum asset value of \$10,000. MAFS currently utilizes the Russell Investment Company Model Strategies, which are managed by Russell Investments, the BlackRock Research Model Portfolios, which utilize the BlackRock iShares Funds, the Fidelity Target Allocation Model Portfolios which use Fidelity Mutual Funds and ETF's, and the Vanguard ETF strategic model portfolios, constructed by the Vanguard Investment Strategy Group. Russell, BlackRock, Fidelity and Vanguard are considered among the world's leading asset consulting and investment management firms, providing investment advice, analytical tools, and funds to institutional and individual investors. MAFS may use other mutual fund/ETF model strategies in addition to those constructed by Russell, BlackRock, Fidelity and Vanguard. The fee schedule for this service is as follows:

\$ 10,000 - \$ 999,999	1.75% of assets
\$1,000,000 - \$1,999,999	1.50% of assets
\$2,000,000 and over	1.25% of assets

Fees and Compensation

Clients compensate MAFM quarterly or monthly, in advance, for services in accordance with the fee schedules shown above. These fees are guidelines and are negotiable. Fees may vary based upon several factors including, but not limited to, the size of the account, types of security positions held, trading frequency, the type of strategy utilized, and the range and frequency of supplemental services provided. Fees are comprehensive and include MAFM's advisory fee, Manager fees, custody and brokerage commissions for transactions executed through MACC, and periodic reports to the client. The fees are negotiable, and the negotiated fee is included in the client's advisory agreement ("Agreement").

The initial fee will be based upon the initial deposit into the account and will be prorated to the end of the calendar quarter or month. Thereafter, the quarterly or monthly fee will be payable at the beginning of the quarter or month and be based upon the market value of the assets in the account on the last day of the previous quarter or month, as the case may be. If the Agreement is terminated after it has been in effect for 12 months, the client will receive a pro-rata refund representing the period from the termination to quarter or month-end. If the Agreement is terminated by client during the first 12 months, client will receive a prorated refund of management fees paid but will be responsible for any brokerage commission generated during the process of liquidating the securities held in the account. Brokerage commissions generated by client termination of the Agreement during the first 12 months shall be discounted. No refunds will be made in the case of a partial withdrawal from the account.

Financial advisers who recommend a wrap fee program to a client receive compensation as a result of the client's participation in the program. The amount of the compensation may be more or less than what the FA would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services. Financial advisers may therefore have a financial incentive to recommend the wrap fee program over other available programs or services.

Participation in the described programs may cost the client more or less than purchasing such services separately. Relevant factors bearing on the relative cost of the programs when considering the alternative of purchasing the services separately include the trading activity in the account, and the corresponding brokerage commissions charged for execution of trades in addition to the fees charged for investment advisory services under the program.

Unless indicated to the contrary, the client will be billed at the rate indicated on their signed Agreement. Future rates are subject to negotiation upon request.

MAFM pays a portion of the total fee to the third-party investment adviser. The third-party investment adviser's portion of the fee can range from .10% to 1.5% based upon the style of management and the asset class. For example, equity management may be more expensive than fixed income management. The Firm's portion of the fee is usually the amount paid by the client net of the third-party investment adviser's fee. From MAFM's portion of the fee, MAFM pays the trading and custodial charges, if any. MAFM also pays the client's FA from MAFM's portion of the fee. The FA's compensation from the fee may be more than the FA would have received if the client had participated in other MAFM programs or if the client had paid separately for investment management, consulting, custody, brokerage, and other services. Therefore, the FA may have a financial incentive to recommend these services over other services.

MAFM compensates certain individuals and firms for client referrals to MAFM. Such fees are negotiated on a case-by-case basis with the individuals providing the referrals. A number of factors determine the negotiated "solicitor fee", including aggregate revenues anticipated, complexity of the engagement, and the extent of service provided by the solicitor.

MAFM is not compensated on the basis of the share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of the client.

Clients are advised that certain MAFM investment advisory programs invest in mutual funds or exchange traded funds. If the client's account holds mutual funds or exchange traded funds, the client may be paying an additional fee to the mutual fund manager, exchange traded fund, or money market. Clients should refer to the applicable mutual fund or exchange traded fund prospectus for information on applicable charges, expenses and fees.

Certain MAFM advisory Programs have higher total fees than other advisory Programs based on a number of factors including, but not limited to management fees and administrative fees. A conflict of interest exists to the extent that we have a financial incentive to recommend a particular advisory Program that results in additional or greater compensation to MAFM. MAFM does not seek to offer mutual funds or share classes that are necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory Account, such as ETFs. In addition to the fees paid to MAFM, you will also bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser, distribution, shareholders services or other fees. These expenses are an additional expense to you and not covered by the fees for Program services; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the fee, when considering any advisory Program and the total compensation MAFM receives.

Most of the mutual funds included on the MAFM platform do not pay MAFM or our affiliates 12b-1 Fees. Any 12b-1 Fee payments we do receive for eligible mutual funds held in advisory accounts are credited back to the client.

Mid Atlantic Capital Corporation ("MACC"), MAFM's affiliated broker dealer, charges a service fee of up to \$3.95 per trade depending on the fee schedule chosen by the client. This service charge is meant to offset non-transaction related internal costs and costs that National Financial Services, LLC ("NFS"), MACC's clearing broker, charges MACC. After the fee schedule selection, this fee is not negotiable. MAFM benefits indirectly from this service fee as MAFM and MACC are under common ownership by Mid Atlantic Capital Group, Inc. NFS may also apply an additional \$10.00 service charge on some mutual fund transactions.

MAFM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts ("IRAs") pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, MAFM may only charge fees for investment advice about products for which our firm and/or our employees do not receive any commissions or 12b-1 Fees.

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

MAFM's clients generally include individuals, pension, profit sharing, and other qualified retirement plans, trusts, estates, charitable organizations, corporations and business entities.

The minimum account size for each Program is as follows:

- Mid Atlantic Portfolio Solutions¹ - \$100,000
Separate Account Solutions² - \$100,000
- LMK Advisors - \$25,000
- Advisor's Choice - \$25,000
ManagerxChange® Managers Program - \$10,000
- Mid Atlantic Fund Strategy - \$10,000

Each Manager within the MAPS and SAS Program can set their own minimum assets to be managed and therefore minimum assets could be substantially higher.

¹ Subject to manager minimums.

² Subject to manager minimums.

This account size may be negotiable under certain circumstances. The Firm may group certain related client accounts for the purposes of achieving the minimum account size and determining the annual fee.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

Manager Selection

Mid Atlantic Portfolio Solutions (MAPS) and ManagerxChange® Managers Program (MMP) – Our manager evaluation process for each of these programs employs a multi-phase approach combining a review of both qualitative and quantitative attributes of the respective manager. Various types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the manager's Form ADV Part 2 disclosure events, as well as manager tenure, investment experience, educational background, firm and strategy assets under management. Manager investment recommendations are based on each Client's risk profile and investment objectives.

The investment professionals at the respective investment management firms are a primary source of information to MAFM, providing quantitative and qualitative information. In addition, MAFM utilizes several publicly available databases from independent sources. These databases are used to compare the information provided by the managers. However, MAFM does not independently review the performance calculations of asset managers or performance information from the managers and such calculations may not be conducted on a uniform basis.

Separate Account Solutions ("SAS") – SAS is offered in conjunction with Envestnet Asset Management. Our manager evaluation process for this program employs a multi-phase approach combining a review of both qualitative and quantitative attributes of the respective manager. Various types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the manager's Form ADV Part 2 disclosure events, as well as manager tenure, investment experience, educational background, firm and strategy assets under management. Manager investment recommendations are based on each Client's risk profile and investment objectives.

Envestnet Asset Management is a primary source of information to MAFM, providing quantitative and qualitative information. In addition, MAFM utilizes several publicly available databases from independent sources. These databases are used to compare the information provided by the managers. However, MAFM does not independently review the performance calculations of asset managers or performance information from the managers and such calculations may not be conducted on a uniform basis.

Related Persons as Portfolio Managers

FAs in the AC Program are not subject to the same review and approval process as Managers in the MAPS or SAS Programs. However, to qualify by MAFM to participate as a discretionary advisor for a client in the AC Program, FAs must satisfy certain criteria established by MAFM. LMK Advisors are subject to the same reviews as third party managers.

Other Advisory Services

In addition to the services described in this Brochure, MAFM offers clients additional advisory services including:

- Financial Planning
- Manager of Manager Programs
- Model Delivery Programs
- Institutional Consulting
- Pension Consulting

For information about these services, please refer to the Firm's Form ADV Part 2A Firm Brochure, which is available through your FA and can be found on the SEC's website.

Performance Based Fees

The Firm does not charge performance-based fees for any of its wrap fee Programs.

Methods of Analysis

AC Program

Each IAR has access to various market, research, portfolio modelling and other tools and information to which he or she may refer in determining investment advice provided to clients. IARs choose their own research methods, investment style, and management philosophy. Accordingly, the investment advice provided to each client may vary from one FA to another. The investment strategies and advice may vary depending upon each client's specific financial situation. As such, FAs determine investments and allocations based upon clients' predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Clients' restrictions and guidelines may affect the composition of client portfolios.

LMK Advisors

LMK uses multiple sources of outside research including, but not limited to, Morningstar and Standard & Poors to create individual income and equity portfolios. We use a two-prong approach to construct diversified portfolios of closed ends funds and individual equities when appropriate. The asset allocation is determined by the Client's investment objective which takes into consideration risk tolerance, time horizon and income needs.

MAFM will implement its investment strategies by recommending the following types of investments:

- Equities

- Fixed Income
- Mutual Funds
- Exchange Traded Funds

The foregoing is not a comprehensive list of the methods of analysis and strategies that may be employed by MAFM, nor are the descriptions necessarily the only ways in which the methods of analysis and strategies may be implemented.

MAFM provides a variety of portfolio construction methods utilizing third-party analytical tools to create a solution in an effort to meet the Client's risk and return objectives. MAFM uses capital markets assumptions and optimization methods to estimate the expected returns for asset classes. This process results in the construction of optimized, diversified portfolios across a wide set of risk tolerances and preferences that can be employed on behalf of the Client. MAFM uses demographic and financial information provided by the Client and to assess the Client's risk profile and investment objectives. MAFM uses commercially available optimization software applications to develop its asset allocation strategies.

Risk of Loss

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risks:* The profitability of a significant portion of MAFM's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that MAFM will be able to predict those price movements accurately or capitalize on any such assumptions.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.

- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasuries are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Correlation Risk:* This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.
- *Counterparty/Default Risk:* This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.
- *Valuation Risk:* This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.
- *Tax Risk:* This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment. For example, a client may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment and may not be appropriate for tax qualified retirement accounts.

Exchange Traded Funds

An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as 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.

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 potentially 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 20,000 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.

Use of Independent Managers

As stated above, MAFM may select certain Independent Managers to manage a portion of its clients' assets. In these situations, MAFM continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, MAFM generally may not have the ability to supervise the Independent Managers on a day-to-day basis. The success of the third-party manager depends on the capabilities of its investment management personnel and infrastructure, all of which may be adversely impacted by the departure of key employees and other events. The future results of the third-party manager may differ significantly from the third-party manager's past performance. While the Firm intends to employ reasonable diligence in evaluating and monitoring third party managers, no amount of diligence can eliminate the possibility that a third party manager may provide misleading, incomplete or false information or representations, or engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, insider trading, misappropriation of assets and unsupportable valuations of portfolio securities.

Risk Relating to Money Market Funds

You could lose money in money market funds. Although money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of money market funds will fluctuate and when you sell shares, they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits.

Moreover, in some circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings are liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or ATM debits from your account.

Risks Relating to Differing Classes of Securities

Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders' rights generally are more favorable than shareholders' rights in a bankruptcy or reorganization.

Tax and Legal Considerations

You are responsible for all tax liabilities and tax return filing obligations arising from the transactions in your account or any other investment advice offered by us. Changing your investment strategy or engaging in portfolio rebalancing transactions may result in sales of securities which may subject you to additional income tax obligations. Consult your independent tax or legal advisor with respect to the services described in this Brochure. MAFM does not provide tax, legal, accounting, estate or actuary advice, and this Brochure or any other document received from MAFM in connection with the Platform should not be construed as providing such advice.

Cybersecurity Risks

We must rely in part on digital and network technologies (collectively, "networks") to conduct our investment advisory business. Such networks, including those of service providers, are susceptible to cyber-attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data or causing operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. Cyber-attacks against, or security breakdowns, of us or our service providers, if applicable, may adversely impact us and our clients, potentially resulting in, among other things, financial losses; our inability to transact business on behalf of our clients; reputational damage; and/or additional costs. The Firm may incur additional costs related to cybersecurity risk management and remediation. In addition, cybersecurity risks may also impact issuers of securities in which we invest on behalf of our clients, which may cause our clients' investment in such issuers to lose value.

Voting Client Securities

As a matter of policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

MAPS Platform - Managers that have signed the Mid Atlantic Portfolio Solutions (“MAPS”) Agreement and are available on the MAPS platform, have direct access to their client’s account held at the custodian through Wealthscape.com (an NFS sponsored web site). Managers use Wealthscape to reconcile cash and place trades for the client’s account. Managers also have access to their client’s monthly brokerage statements. These statements list the client’s name, address and account number. Through Wealthscape, Managers also have access to the client’s account summary. The account summary details the client’s name, address, partial tax identification number/social security number, occupation, date of birth, e-mail address, marital status, number of dependents, partial driver’s license number and driver’s license state of issuance. If the client’s information changes, it is immediately reflected in Wealthscape, and if material, the Manager would be notified of the change. Changes to client information are updated on an ongoing basis throughout the year.

SAS Platform – Managers on the SAS Platform also have access to their respective client’s information as detailed in the account set-up process. Client information includes name, address, partial tax identification number/social security number, occupation, date of birth, e-mail address, marital status, number of dependents, partial driver’s license number and driver’s license state of issuance. If the client’s information changes, it is immediately reflected on the SAS Platform and Wealthscape, and if material, the Manager would be notified of the change. Changes to client information are updated on an ongoing basis throughout the year.

MMP Platform – Managers that have signed the ManagerxChange ManagerxChange® Managers Program (“MMP”) Agreement and are available on the MMP platform, have direct access to the client’s respective account held at the custodian, Mid Atlantic Trust Company (“MATC”), through secure.macg.com (“TNS”), a MATC sponsored web site. Managers use TNS to view the client’s account. Account information that is available to the Manager includes account balance, security positions, cash and trade activity history, monthly statements and the account profile summary. If the client’s information changes, it is immediately reflected in TNS. Changes to client information are updated on an ongoing basis throughout the year.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients have unrestricted access to their portfolio manager in the AC and LMK Programs. For Managers in the MAPS and SAS Program, clients may be limited in their direct contact with the portfolio managers or other investment personnel. For the MMP Programs, the client will not have the ability to contact portfolio managers at the model provider. However, FAs are available to address any questions or concerns regarding these

strategies.

ITEM 9. ADDITIONAL INFORMATION

Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's, or prospective client's, evaluation of our advisory business or the integrity of our management.

In 2018, the firm was contacted by the staff of the U.S. Securities & Exchange Commission regarding the Firm's earlier disclosures and practices related to the selection of mutual fund share classes that paid Rule 12b-1 distribution fees when a lower cost share class that did not pay 12b-1 fees was available. MAFM cooperated fully with the SEC staff regarding its inquiry respecting those matters and, on September 30, 2019, the Firm entered into a settlement with the SEC. Under the settlement, the Firm, without admitting or denying any violation or wrongdoing, consented to findings related to alleged breaches of fiduciary duty and inadequate disclosures in connection with the Firm's mutual fund share class selection practices and the fees it received. The settled administrative order states that, at times during the relevant period, the Firm purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible. The settled order also states that the Firm received 12b-1 fees in connection with these investments that the Firm failed to disclose in its form ADV or otherwise. Further, the order states that the Firm breached its duty to seek best execution for certain clients by investing them in mutual fund share classes that paid 12b-1 fees rather than lower-cost share classes, and that the Firm failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices. As a result of the alleged conduct, the Commission found that MAFM willfully violated sections 206(2) and 206(4) of the Advisers Act and rule 206(4)-7 thereunder. The order provides that MAFM shall cease and desist from committing or causing future violations, is censured, and will pay disgorgement of \$900,069, together with prejudgment interest and a civil money penalty in the amount of \$300,000. MAFM also agreed to certain undertakings under the settlement. In determining to accept the Firm's settlement offer, the Commission considered other remedial acts promptly undertaken by MAFM and the cooperation afforded the SEC staff by the Firm. The Firm has paid the civil money penalty and distributed the disgorged funds to impacted clients. MAFM also has implemented operational and policies and procedures changes that it believes are reasonably designed to prevent future violations.

Other Financial Industry Activities and Affiliations

Mid Atlantic Capital Corporation ("MACC")

MAFM management personnel and FAs may be separately licensed as registered

representatives of Mid Atlantic Capital Corporation, our affiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation. In addition, management personnel of our Firm may also act as corporate officers of MACC. In their capacity as supervisory principals of MACC, they devote time to the oversight of the operations of the broker/dealer.

MAFM recommends to clients the use of MACC for services relating to the execution and clearing of trades for client accounts. Comprehensive investment fees are also utilized with respect to client assets in which MACC provides execution and clearing services for the account.

MAFM's investment management and advisory services invest in mutual funds. A client that invests in mutual funds is subject to the payment of 12b-1 and/or shareholder servicing fees for distribution to the broker as set forth in the prospectuses of those mutual funds. MACC is used as the broker/dealer to effect the transaction in mutual funds, it may receive the 12b-1 and/or shareholder servicing fees. Mutual funds are sold by prospectus only. MAFM has established policies and procedures to ensure that when purchasing Mutual Funds in client accounts, the selection provides the lowest cost share class eligible to purchase for that fund. Additionally, we have established systematic procedures to rebate to the client 12b-1 Fees that are inadvertently incurred.

Bank Deposit Program: Mid Atlantic Financial Management, Inc. offers clients access to bank deposit sweep accounts that may be used to hold a cash balance in their Mid Atlantic Capital Corporation brokerage account that is awaiting reinvestment.

The Mid Atlantic Capital Corporation Bank Deposit Sweep Program ("Program") is the default account investment vehicle used to hold your cash balance while awaiting reinvestment for eligible accounts.

The cash balance in your eligible Mid Atlantic Capital Corporation brokerage accounts will be deposited automatically or "swept" into interest-bearing FDIC-insurance eligible Program deposit accounts ("Deposit Accounts") at one or more FDIC-insured financial institutions (each a "Program Bank" or collectively, "Program Banks"). The Program may create financial benefits for Mid Atlantic Capital Corporation and for NFS. We will receive a fee from each Program Bank in connection with the Program (equal to a percentage of all participants' average daily deposits at the Program Banks). Amounts will vary but in no event will be more than 1.75% (net of third party fees) on an annualized basis, as applied across all Deposit Accounts. In our discretion, we may reduce our fee and may vary the amount of the reductions among clients. The fee may vary from bank to bank. The amount of fee received will affect the interest rate paid to customers by the Bank. We will also pay a fee to NFS. We reserve the right to modify the fees we receive from Program Banks. From time to time, if the fee increases, clients will receive notification of any such change. In addition to our fee, other service providers with respect to the Program will receive fees from each Bank (collectively, with the fees paid to us and/or NFS, "Program Fees").

In addition to the Program Fees referenced above, clients' brokerage accounts generally may be charged additional fees that apply to securities accounts maintained by Mid Atlantic Capital Corporation. Applicable law governing retirement accounts, such as qualified plans under ERISA, and individual retirement accounts under the Internal Revenue Code, necessitates that interest rates paid by the Program Banks for deposits in the Deposit Accounts, our fee, and other service fees are negotiated at arm's length, are believed to be fair and reasonable, and are designed to approximate value for the services involved and in the context of customers' eligible assets.

The Program Banks use Program deposits for funding current and new lending and for investment activities. The Program Banks earn net income from the difference between the interest they pay on Program Deposits and the fees paid to us and the income they earn on loans, investments, and other assets. As noted above, the Program Banks may pay rates of interest on Program Deposits that are lower than prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank. Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a lower rate. Lower rates may be more financially beneficial to a Program Bank. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the money market mutual fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other core account investment vehicles currently available to you or possible core account investment vehicles that we have used in the past or may consider using in the future. In addition, we will make compensation payments to NFS, our clearing agent, for recordkeeping and other services with respect to amounts invested in the Program, which will be no more than 25 basis points (0.25%).

NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products. As a result of the fees and benefits described above, the Program may be significantly more profitable to us than other available sweep options, if any. Mid Atlantic Capital Corporation and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the Program.

A current version of our Bank Deposit Sweep Program Disclosure Document, which is provided to all Mid Atlantic Financial Management, Inc. brokerage clients, is available at <https://www.macg.com/clients/brokerage-sweep-disclosures/>

Mid Atlantic Trust Company ("MATC")

MAFM is under common control with MATC, a South Dakota non-depository trust company which handles the custody, directed trustee, paying agent, and reporting services for

corporate retirement plans, and asset custody for some clients of MAFM as recommended by their FA. While MAFM is not directly compensated by MATC for revenue generated due to this arrangement, it does benefit indirectly, due to the companies being under common control.

While MAFM and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

When acting as custodian or directed trustee, Mid Atlantic Trust Company and/or its affiliates or agents, may retain, as part of their reasonable compensation, interest income and other benefits earned on certain uninvested plan cash ("Float"). The Float rate of return is based upon and approximates current short-term money market rates as in effect from time to time. In certain instances, Mid Atlantic Financial Management, Inc. or its affiliates or agents may earn bank credits in lieu of interest, and in such instances that rate is generally the then current Federal Funds rate, plus some factor. Additional information related to this Float disclosure may be obtained at <https://www.macg.com/clients/trust-cash-deposit-disclosures/>.

Conflicts of Interest

Clients should be aware that the receipt of additional compensation by MAFM and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. MAFM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify

that all recommendations made to a client are suitable to the client's needs and circumstances;

- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As previously disclosed, we recommend the services of various registered investment advisers to our clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 (the "cash solicitation" rule) of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made, and all applicable Federal and State laws will be observed.

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

Our Firm has adopted a Code of Ethics, which sets forth high ethical standards of business conduct that we require of our employees and FAs including compliance with applicable federal securities laws.

MAFM and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

MAFM's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best

interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our Firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of our Firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to ksmith@macg.com, or by calling us at 412-391-7077.

Portfolio Reviews

MAFM monitors client portfolios on a regular and ongoing basis. Client reviews are conducted periodically. Such reviews are conducted by the Firm's FAs. All investment advisory clients are encouraged to discuss their needs, goals and objectives with their FAs and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from their account custodians. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from MAFM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from MAFM or an outside service provider.

Client Referrals and Other Compensation

Our Firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of our Form ADV Part 2A and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and

- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is MAFM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that is deemed to have custody, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. MAFM has no additional financial circumstance to report nor has it been the subject of a bankruptcy petition at any time.