



M Wealth

Form ADV Part 2A: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of M Financial Asset Management, Inc. ("M Wealth"). If you have any questions about the contents of this brochure, please contact us at 503.414.7513 or MHSCompliance@mfin.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 Wealth also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. M Wealth's CRD number is 136694.

Item 2 — Material Changes

For this filing and all future filings, this Item 2 will be used to provide the client with a summary of material changes that are made to the brochure since the last annual update.

M Wealth updated this document on March 27, 2020 as part of the required annual update (“Annual Update”). Since the last Annual Update on March 27, 2019, M Wealth updated the brochure to include a description and details of new model portfolios available within the existing advisory solutions offered. We do not believe this information is material to existing clients.

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Item 4 — Advisory Business

M Financial Asset Management, Inc. (“we,” “us,” “our,” or “M Wealth”) is an SEC-registered investment adviser with its principal place of business located in Portland, Oregon.¹ M Wealth began conducting business as an investment advisor in 2006. We are a wholly owned subsidiary of M Financial Holdings Incorporated, doing business as M Financial Group (“M Financial Group”).

We provide investment advisory services to a nationwide network of approximately 150 “Member Firms” of M Financial Group.

M Wealth offers the delivery of advisory services in three distinct methods:

M Wealth as a Sub-advisor

M Wealth provides advisory services to clients of Member Firms that are themselves investment advisors, pursuant to a sub-advisory agreement between M Wealth and the Advisor, and to clients of our affiliated adviser, M Holdings Securities, Inc. (each, an “**Advisor**”). As the sub-advisor, M Wealth provides discretionary investment management of all or a portion of a client’s portfolio (“**Portfolio**”); however, the Advisor will retain direct contact with, and provide investment advice to you. Your Advisor will review, and may provide you with, detailed performance reports for each Portfolio on a quarterly basis. Prior to engaging our services, you will sign an Advisory Agreement (“**Agreement**”) with your Advisor that will detail our services and fees. (Please see Item 5 for more details about fees.)

Your Advisor will assist you in identifying and establishing financial goals and objectives, as well as determining your risk tolerance to help develop an investment strategy tailored to you and allocate your Portfolio. M Wealth will select the specific securities or other investments to be purchased and sold in the Portfolio based upon these objectives and financial goals (*e.g.*, maximum capital appreciation, growth, income, security of principal, etc.) and risk tolerance preferences.

M Wealth as a Direct Portfolio Manager

In some cases, M Wealth will offer investment advisory services directly to clients. For these clients, we determine financial goals and objectives to develop an investment strategy tailored to each client and to create and manage a Portfolio. Otherwise, the services are the same as those described within this brochure.

M Wealth as a Wrap Fee Program Sponsor

M Wealth sponsors and acts as portfolio manager for the Managed Portfolio Program (the “**Program**”). In the Program, clients can choose from one of eighteen risk-based model portfolios that are managed by M Wealth. We receive a portion of the wrap fee for our services. In this service, client assets are managed according to set model allocations. When working as a sub-advisor or direct portfolio manager, we will tailor portfolios in order to meet each specific client’s investment strategy. Please refer to our Wrap Fee Program Brochure for more information.

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

M Wealth offers the following types of advisory services:

Investment Management Services

M Wealth provides ongoing investment supervisory and management services with respect to clients' accounts ("**Investment Management Services**"). M Wealth will allocate your assets among various investments and/or investment managers, taking into consideration the overall management style and financial goal chosen by you, in relation to your time horizon, risk tolerance, liquidity requirements, and other investment constraints. M Wealth determines customized Portfolio weightings in specific securities and market sectors based on individual needs and circumstances of each client. M Wealth will analyze and consider the placement of investments into taxable or tax-deferred accounts in an effort to seek to maximize after-tax returns. When providing Investment Management Services we may also take into consideration other holdings you may have that are held outside of the Portfolio we manage for you. Investment Management Services offer detailed performance reporting on your Portfolio on a quarterly basis. Annually, if you desire it, you will receive enhanced in-depth reporting that incorporates valuation of financial goals, as well as your accounts and holdings that are outside of our Investment Management Services. You will have the opportunity to place restrictions on the types of investments made on your behalf under our Investment Management Services. Restrictions must be provided in writing, and we will inform you if we are unable to accommodate any requested restrictions.

Model Management Services

In this role, M Wealth sponsors and acts as portfolio manager for multiple model portfolios ("**Model Management**"). M Wealth selects specific securities using eighteen risk-based model portfolios it has developed and manages on an ongoing basis. Clients choose between models that have different risk-based, tax focused, or specified emphasis. Six models are managed for use in taxable accounts, six models are managed for use in tax-differed accounts, four models seek to emphasize market returns with lower volatility, and two models emphasize environmental, social and governance ("ESG") focused holdings. All models are available through the Program, while six models (lower volatility and ESG) are also available outside of the Program. M Wealth will monitor and may change securities within the model portfolios on a discretionary basis. When the portfolio allocation within a model is changed, all client Portfolios will be adjusted to reflect the allocation change made within the model. Performance reports for Model Management are produced by Envestnet, Inc., an unaffiliated third-party service provider. Account performance figures and percentages are calculated using a time-weighted return method, a measure of portfolio performance over a given time period calculated without regard to the effect of cash flows into or out of the account. Generally, you may not impose restrictions on the types of investments made on your behalf under our Model Management services.

Mutual funds and exchange-traded funds ("ETFs") are the most common type of securities used by M Wealth to construct portfolios. M Wealth selects mutual funds and ETFs based on any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager, the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. In addition to these types of securities, we also occasionally use stocks and bonds and, if warranted, limited partnership interests and separate account managers (both "Investment Managers"). Because some types of investments involve certain additional degrees of risk, they will only be selected/recommended when consistent with the client's

stated investment objectives, tolerance for risk, and liquidity needs. You will retain individual ownership of all securities in the Portfolio, including any securities managed by Investment Managers.

Assets Under Management

As of December 31, 2019, M Wealth manages \$908,866,828 of client assets on a discretionary basis and no assets on a non-discretionary basis.

Item 5 — Fees and Compensation

The fees paid by you (“Advisory Fees”) for advisory services performed by M Wealth and your Advisor will be detailed in your signed Agreement prior to engagement of advisory services. Advisory Fees are based on the amount of your assets under our management, computed and payable quarterly, in arrears, and assessed after the first and before the 15th business day of each quarter. Advisory Fees are debited directly from the accounts that make up your Portfolio. Should there be insufficient cash available to pay your quarterly Advisory Fee, M Wealth may liquidate enough securities in your Portfolio to cover your fee. Liquidation of securities may result in additional taxes to you, for which you are solely responsible. Assets in all accounts owned by a single household (for example, two spouses with minor children) will be aggregated for purposes of calculating the market value at the end of the quarter. All assets are included in this calculation unless specified by you and agreed upon by your Advisor and M Wealth.

Investment Management Services:

For Investment Management Services clients, Advisory Fees will be assessed and based on the market value of the Portfolio after the end of each calendar quarter, and typically adjusted for large inflows or outflows of assets during the quarter.² In very rare cases, upon your request and with our approval, we may send you an invoice for Advisory Fees for Investment Management Services. Advisory Fees are negotiable and should be discussed prior to entering into an Agreement. The Advisory Fees listed in the tables below represent the maximum charges yours may be lower and will be detailed in your Agreement.

Assets Under Management*	Advisory Fee
On first \$1,000,000	1.30%
On next \$2,000,000	1.25%
On next \$2,000,000	1.20%
On next \$5,000,000	1.10%
Over \$10,000,000	1.05%

* The minimum size for establishing an Account that utilized our Investment Management Services is generally \$1,000,000.

² The value of the Portfolio is adjusted, on a pro-rata basis, for any cash flows greater than \$100,000 during the quarter.

Model Management Services Not Included in the Program:

For the six model portfolios that are also available outside of the Program, your Advisory Fee will be computed and based on the average daily market value of the account during the preceding quarter. Advisory Fees are negotiable. The Advisory Fees listed in the tables below represents the maximum charges, and yours may differ and will be detailed in your Agreement:

Assets Under Management*	Advisory Fee
On first \$1,000,000	1.22%
On next \$2,000,000	1.20%
On next \$3,000,000	1.17%

* The minimum size for establishing an Account that utilizes our Model Management Services is generally \$10,000. Note that at any balance under \$35,715, the maximum Advisory Fee becomes \$25 plus 1.15%.

Wrap Fee Program:

Please refer to our Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochure for a description of the Program's fees.

Additional Fees

Custodian and Brokerage Fees and Expenses

Your Advisory Fee does not include any fees and expenses charged by custodians and/or broker dealers. These additional fees can include, but are not limited to, transaction charges and fees for trading; account maintenance fees; account transfer and closing fees; inactivity fees; and other charges from or by your custodian. For more information about such fees, please consult directly with your custodian and request they provide you with a transaction fee schedule.

Please refer to the "Brokerage Practices" section (Item 12) of this brochure for additional information.

Separate Account Investment Manager Fees

If appropriate for your Portfolio, third party investment managers may be chosen and their fees will be in addition to the Advisory Fee you negotiate with us. If third party investment managers are chosen for your Portfolio, their fees will be disclosed to you through such investment manager's Form ADV Part 2A.

Mutual Fund/ETF Fees

All Advisory Fees for advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. All mutual funds incur certain expenses that are borne by their shareholders and these fees and expenses are described in each fund's prospectus. In no case will the Advisor or any investment advisory representative receive any commissions from these products.

You could invest in a security directly without our services. In that case, you would not receive our services, which are designed, among other things, to assist you in determining which mutual funds, ETFs or other securities are appropriate given your financial goals and investment objectives. Accordingly, you should review both the fees charged by the funds and our fees to fully understand the total amount of fees and to thereby evaluate the services being provided.

Changes in Fee Structure

Changes in fee structure or the manner in which fees are calculated will be implemented 30 days after you receive written notice from M Wealth or your Advisor, unless otherwise stated in your Agreement.

Services Available from Other Advisers

Clients should note that similar advisory services may be available from other investment advisers for similar or lower fees. Please be sure to compare the services and costs of M Wealth programs against other investment advisory programs.

Termination of Services

You may terminate your Agreement and cease our investment advisory services at any time. Because Advisory Fees are paid in arrears, you will be billed on a pro-rata basis for services up to the time of termination. You may receive a final invoice for services provided prior to the date of such termination if we are unable to debit our final fee.

Item 6 — Performance-Based Fees

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

Item 7 — Types of Clients

M Wealth provides advisory services to a wide variety of clients including but not limited to: individuals, charitable organizations, corporations, retirement plans (including 401(k) plan sponsors and pension plans) and trusts.

The minimum amount to establish and maintain Investment Management Services is generally \$1,000,000, and this amount can be reached by aggregating all accounts owned by a single household (for example, two spouses with minor children). 401(k) plan clients may have lower account minimums. The minimum amount to establish and maintain Model Management Services will range between \$10,000 and \$25,000 depending upon the model chosen. Model Management Services minimums are based on each account value, and cannot be aggregated in order to meet the minimum. Prior to engaging our services, you will sign an Agreement that will detail our services and fees. We may not agree to manage a Portfolio if the assets invested are insufficient to implement the desired services.

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

Methods of Analysis and Investment Strategies

In general, we seek to build diversified investment portfolios in consideration of our clients' time horizon, risk tolerance, liquidity requirements, and other investment constraints. Our investment process uses broad diversification, systematic portfolio risk management, and regular rebalancing to maintain the client's investment objectives.

The main sources of information are databases with historical securities price information; research materials prepared by others; corporate rating services; annual reports; mutual fund prospectuses and data; financial newspapers and magazines; filings with the Securities and Exchange Commission; and corporate press releases.

While M Wealth provides your Advisor with recommendations on allocations and investment strategies, your Advisor is responsible for determining whether any particular investment strategy is suitable for you. M Wealth is responsible for determining the suitable investment strategy for directly-managed accounts.

Rather than focusing primarily on individual securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income securities, and cash suitable to a specific client's investment goals and risk tolerance. We will allocate a client's assets among various investments (mutual funds, ETFs, individual positions and/or Investment Managers), taking into consideration the overall management style decided upon by the client, the Advisor, and M Wealth. We will also take into consideration the different account types within each client's Portfolio in order to efficiently allocate assets for tax considerations.

A risk of broad asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of equity, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. We mitigate this risk by regularly rebalancing client accounts.

Mutual Fund and/or ETF Analysis

We consider the experience, management philosophy and performance record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to perform in line with our expectations over a period of time. We also look at the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's Portfolio. We also monitor the mutual funds and ETFs to determine if the manager is continuing to follow its stated investment strategy. Additionally, we analyze the fund's management fee structure.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful in the past may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk if a security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's Portfolio.

Investment Managers Analysis

If appropriate, as part of your Investment Management Services, we may utilize independent third-party investment managers that purchase and sell individual security positions for you within a designated account. We examine the experience, expertise, investment philosophies, and past performance of each to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We review the manager's underlying holdings, strategies, and concentrations as part of our initial risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks and continually monitor performance.

A risk of investing with investment managers who have been successful in the past is that they may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is a risk that the manager may deviate from the stated investment mandate or strategy, making it a less suitable investment for our clients. In addition, different investment managers may purchase the same security, increasing the risk if a security were to fall in value. Moreover, as we do not control third-party investment managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies, despite our initial and ongoing diligence efforts.

Risk of Loss — General

All investing involves a risk of loss and the accounts managed by M Wealth could lose money. Clients should be prepared to bear this risk of loss. There is no guarantee that the investment objectives of the client will be achieved. Performance could be negatively affected by a number of different market risks including, but not limited to, general market fluctuations and the risk that the investment techniques used by M Wealth or other investment managers may not produce the desired results. This could cause accounts to decline in value. In addition, M Wealth may rely on information that turns out to be inaccurate. M Wealth selects investments based, in part, on information provided by various research providers and other sources. M Wealth is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and can result in losses. Additionally, some strategies used by M Wealth are high risk and are not intended for all types of clients. Clients who choose to have their assets managed in accordance with high-risk strategies should be aware that there is the possibility of significant losses, including the possibility of loss of value in all assets managed via such strategies. It is strongly recommended that clients diversify their investments and do not place all of their investments in high-risk investment strategies.

Particular strategies may be subject to liquidity risk – the risk that a particular investment may be difficult to purchase or sell or that the client may be unable to sell illiquid securities at an advantageous time or price or achieve the desired level of exposure to a certain sector.

Finally, tactical and dynamic investment strategies involve more frequent trading than traditional “buy-and-hold” investment strategies. Although not used regularly by M Wealth, such trading can increase transaction costs and create more short-term tax gains than clients may be used to seeing in other types of strategies.

Potential Risks of Investing Using Mutual Funds and ETFs

Mutual funds and ETFs are subject to the risks of the securities in which they invest.

Other Risks

The following types of risks may significantly affect the performance of your Portfolio:

- *Equity Risk:* Strategies that invest in equities involve the risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions, which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- *Foreign Securities Risk:* Strategies that invest in international securities involve special additional risks, including: currency risk; political risk; risks associated with varying accounting standards; and the risk that adverse legal, political, or economic developments, as well as international trade, trade barriers, and exchange controls may adversely affect the securities of companies located in such countries. Investing in emerging markets may accentuate these risks.
- *Small Cap Risk:* Strategies that invest in small capitalized companies involve risks, including relatively low trading volumes, a greater degree of change in earnings, and greater short-term volatility. Smaller companies typically have a higher risk of failure and are not as well established as larger blue-chip companies.
- *Value Risk:* Strategies that invest in value stocks can perform differently from the market as a whole and from other types of stocks and can be more volatile than other types of stocks.
- *High Yield Risk:* Strategies that invest in high-yield bonds invest in lower-rated debt securities (commonly referred to as junk bonds) and involve additional risks because of the lower credit quality of the securities in the portfolio. Clients should be aware of the possible higher level of volatility and increased risk of default.
- *TIPS Risk:* Strategies that invest in Treasury Inflation Protected Securities (TIPS) involve risks, including risk of loss in periods when “real” interest rates (current interest rate minus inflation rate) change substantially.³
- *Municipal Risk:* Municipal investment strategies can be affected by adverse tax, legislative or political changes and the financial condition of issuers of municipal securities.
- *Real Estate Risk:* Strategies that invest in Real Estate Investment Trusts (“REITs”) or real estate-linked derivative instruments may subject a client to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses.

³ TIPS are bonds issued by the U.S. Treasury that have a fixed rate of interest and principal that adjusts according to changes in the Consumer Price Index (CPI).

- *Fixed Income Risk:* Strategies that invest in fixed income securities are subject to the risk that clients may lose all or some of their principal investment if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations. Additionally, clients are subject to the risk that the value of the underlying securities will decline because of an increase in interest rates; a fund with longer than average bond maturity dates will be more sensitive to changes in interest rates than a fund with shorter bond maturity dates.
- *Cybersecurity Risk:* Intentional cybersecurity breaches include: unauthorized access to systems, networks or devices (such as through “hacking” activity), infection from computer viruses or other malicious software code and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Unintentional incidents such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws) can occur. Cyber incidents have the ability to cause disruptions and impact business, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties or reputational damage. Such incidents could cause M Wealth or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or significant financial loss. In addition, such incidents could affect the securities in which M Wealth invests on your behalf, and thereby cause your Portfolio to lose value.

Item 9 — 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. Neither M Wealth, nor our management personnel have any reportable disciplinary events to disclose.

Item 10 — Other Financial Industry Activities and Affiliations

Member Firms of M Financial Group and many of their affiliated producers are stockholders of M Financial Group, and as stockholders, they share in profits of M Financial Group. Advisors of Member Firms recommend M Wealth as a sub-advisor when appropriate for their clients. An incentive, and therefore a potential conflict of interest, exists when Advisors offer M Wealth Portfolio Management Services as opposed to other portfolio managers.

M Wealth’s affiliated investment advisers are M Holdings Securities, Inc. (“M Securities”) and M Financial Investment Advisers, Inc., which is the advisor to M Fund, Inc. Our affiliated broker-dealers are M Holdings Securities, Inc. and M Financial Securities Marketing, Inc. Certain personnel of M Wealth are separately licensed with M Securities. Our affiliated insurance agencies are Management Compensation Group, Northwest, LLC, doing business as M Benefit Solutions. Our affiliated insurance companies are M Insurance Solutions, Inc. and M Life Insurance Company. All entities, along with M Wealth, are subsidiaries of M Financial Group. All clients of Member Firms should be aware that economic incentives exist which could influence recommendations for particular financial products or services. Any fees or commissions created by those recommendations would be in addition to Advisory Fees collected. We address these conflicts of interest by striving to only recommend products and

services that are in the best interest of our clients, by disclosing to our clients all material conflicts that exist, and through the enforcement of our Code of Ethics.

Our affiliated investment advisers, broker dealers, and insurance companies are also disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the cover page of this brochure using Broker Check.

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

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

Our Code of Ethics includes policies and procedures for the regular review of securities transactions reports as well as initial and annual securities holdings reports that must be submitted by M Wealth's access persons. Our code provides for oversight, enforcement and recordkeeping provisions. The Code further includes a 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 access persons 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 access persons 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 access persons to invest for their own accounts.

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

Access persons may not purchase or sell any security in which they have beneficial ownership unless they have complied with the Code's Personal Security Transaction Policy. Access persons may buy and sell for their own account mutual funds and ETFs (and other securities) that are purchased for clients. However, such conflicts are mitigated because access persons are prohibited from entering a personal order to buy or sell a security if they have knowledge of a client's un-executed market order to buy or sell the same security. Finally, M Wealth strictly forbids front-running client accounts, which generally involves placing personal trades ahead of imminent client trades. As noted, compliance with these prohibitions is monitored and access persons' personal securities transactions are reviewed.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to mhscompliance@mfin.com, or by calling us at 503.414.7513.

Item 12 — Brokerage Practices

Selection of Brokers

Advisors will assist their clients with opening accounts for their Portfolio at an appropriate custodian. You will provide M Wealth through your signed Agreement with authorization allowing for discretionary authority to direct trades and withdraw fees on your behalf.

Clients generally are directed to use Charles Schwab & Co. (“Schwab”) or Pershing, LLC (“Pershing”) as the custodian for their accounts and to execute securities transactions therein.

Clients should understand that directing execution of their securities transactions through Schwab or Pershing may (i) result in higher transaction costs for clients; (ii) reduce or eliminate M Wealth’s ability to secure the most favorable execution for clients; and (iii) cause clients to forego benefits from savings on execution costs that M Wealth might be able to obtain by negotiating volume discounts on certain transactions with other broker-dealers. As a result, M Wealth may be unable to achieve the most favorable execution of client transactions and execution may cost clients more money.

However, in return there are benefits to M Wealth and clients from utilizing Pershing and Schwab.

Generally, Advisors of M Securities RIA will use Pershing as custodian for client accounts. Pershing negotiates favorable transaction fees with M Securities and provides access to M Wealth as the sub-advisor without charge. Pershing facilitates access to client records and the execution and review of client transactions.

Schwab provides M Wealth with access to its institutional trading and custody services, which are typically not available to retail investors. Schwab’s services include the execution of securities transactions, custody, and research.

M Wealth does not receive commissions or marketing fees from Schwab or Pershing. Both custodians provide access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Soft Dollar Benefits

Some of Schwab and Pershing’s products and services assist us in managing and administering our clients’ accounts, such as software and other technology that provide access to client account data (such as trade confirmations and account statements) and facilitate trade execution.

Schwab and Pershing may provide M Wealth with unsolicited, limited research free of charge, such as email newsletters, access to webinars and access to information on their company websites. Schwab and Pershing may also provide occasional business entertainment of our personnel. None of the information provided by either custodian is used by M Wealth in determining which custodian will be used to hold or open accounts.

Our clients do not directly pay for the soft dollar benefits and we use them with all client accounts when and as appropriate. M Wealth’s receipt of the foregoing products and services causes M Wealth to be deemed to be receiving “soft dollars;” however, we have not entered into any formal soft dollar

arrangements with any broker-dealer and the products and services received from Pershing and Schwab are limited in scope.

Client Referrals

M Wealth does not consider client referrals when selecting or recommending custodians.

Aggregation of Trades

When offering Investment Management Services, M Wealth does not aggregate trades because (i) trading for each client's account is customized; and (ii) trades are approved by the client's investment advisory representative, who may also instruct the timing of a trade for the client. For Model Management Services, M Wealth's trading vendor will aggregate trades when there is a large enough order to justify waiting to execute the trade. This practice is not common, but can occur when conducting rebalancing of all client portfolios or when making changes to a specific model or models.

Item 13 — Review of Accounts

Portfolios are reviewed quarterly, at a minimum, by a vice president of M Wealth with support from our staff, and are analyzed for any necessary trading at least twice a year. Should M Wealth receive notification that your financial situation, risk tolerance or objectives have changed, we will review your Portfolio to determine if changes are necessary. General reviews of Portfolios involve evaluation of asset allocation, weightings of investments, security selection and the quality and performance of individual investments held in the Portfolio. Should you require a withdrawal from your Portfolio, or should you make an additional large deposit, we will review your Portfolio to determine how to best execute transactions to maintain your stated allocation. We may take into consideration capital gains and losses; however, trading may result in a taxable event for which you will be responsible. We may also take into consideration assets, which you disclose to us, that are held outside of the Portfolios under our services.

In addition to the periodic statements you receive directly from your custodian, we provide your Advisor with access to quarterly performance reports (in cases where we act as a sub-advisor) or directly to you (in cases where we have a direct portfolio management relationship). In addition to information regarding account performance, the reports contain information regarding holdings, and benchmark performance, and show accounting detail, such as contributions, withdrawals and income.

You may receive performance statements we prepare, either from your Advisor or from M Wealth directly. These statements are not intended to serve as a replacement for the custodian's statement. M Wealth prepares the statements with information received from your custodian into software designed to calculate returns and provide special graphics of your Portfolio. We urge you to carefully compare the information provided on these statements to the account statements from your custodian to ensure that all account transactions, holdings and values are correct and current.

Item 14 — Client Referrals and Other Compensation

M Wealth may receive client referrals from independent third parties to whom we introduce clients and pay referral fees to independent third parties ("Solicitors") for introducing clients to us. The

Solicitor will assist the client with completing documentation to assist us in determining appropriate investment advisory services. Factors considered in making this determination include account size, risk tolerance and investment experience.

Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document and a separate disclosure statement that includes information required by the Investment Advisers Act of 1940. Clients who are referred to us by Solicitors do not pay additional Advisory Fees because of any referral. The Solicitor does not provide advice on securities to you when participating in this arrangement.

Solicitors referring clients to M Wealth are normally associated with M Financial Group, our parent company in some capacity (*e.g.*, M Securities serves as a Solicitor). Consequently, they have an interest in recommending M Wealth over other similar services.

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

Item 15 — Custody

M Wealth is deemed to have custody solely because of its ability directly to debit Advisory Fees from client accounts, as previously disclosed in Item 5 “Fees and Compensation.” Please note that M Wealth does not have the ability to withdraw funds from your account for any reason other than the collection of Advisory Fees unless you provide written limited authorization for us to do so.

On at least a quarterly basis, the custodian of assets included in your Portfolio is required to send you a statement showing all transactions within the account during the reporting period. We advise your custodian of the amount of the Advisory Fee to be deducted from your Portfolio. Because the custodian does not calculate the amount of the fee to be deducted, it is important for you to carefully review your custodial statements to verify the accuracy of the calculation, among other things. We urge you to carefully compare the information provided on these statements to any statements provided indirectly or directly from us. You should contact your Advisor directly if you believe there is an error on your statement or if you are not receiving this documentation.

Item 16 — Investment Discretion

Clients generally hire us to provide discretionary asset management services, in which case we place trades in a client’s account without contacting the client prior to each trade to obtain the client’s permission.

Our discretionary authority includes the ability to determine which security to buy or sell, and the amount of the security to buy or sell.

Clients give us discretionary authority when they sign our client agreement that provides M Wealth with specific authorization to trade accounts on their behalf without obtaining approval for each transaction. Additionally, you will complete custodial paperwork that provides us with specific authorization to direct trade in your account. You may limit this authority by giving us written instructions and you may also change/amend such limitations by providing us with written instructions. Typical limits include protection of legacy holdings or maintenance of a cash level that varies from our normal cash targets.

Item 17 — Voting Client Securities

As a matter of policy, M Wealth does not vote proxies on your behalf. Proxy information should be forwarded to you by your custodian and you retain the responsibility for voting the proxies. Clients should contact their custodian with questions about any particular solicitations.

Item 18 — Financial Information

Under no circumstances does M Wealth require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. M Wealth has no additional financial circumstances to report and has not been the subject of a bankruptcy petition.