

Form ADV Part 2A

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As required by the United States Securities and Exchange Commission ("SEC"), Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of MKD Wealth Coaches, LLC ("MKD"). The information in our Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about us also is available on the SEC's website at www.adviserinfo.sec.gov. If you have questions about the contents of our Disclosure Brochure, please contact Tim Mrock, our Chief Compliance Officer, at (248) 418-5100 or tim@mkdwealthcoach.com.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

ITEM 2: MATERIAL CHANGES

Communication and transparency are the foundation of our relationship with you, and we strive to provide complete and accurate information at all times. We encourage all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with us.

We will amend our Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by securities regulators. A summary of material changes or a complete Disclosure Brochure shall be provided to each affected client within a reasonable time following the occurrence of any material change.

We do not have any material changes to report since our last annual amendment dated March 20, 2019.

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ITEM 4: ADVISORY BUSINESS

Our Owners and Principals

We established our firm in December 2006. Joseph Mackey, John Dankovich and Nathan Bohannon are our members, and each owns 33.33% of our firm's membership interests.

Our Advisory Services

We are an investment adviser providing investment management services, financial planning, and consulting services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities. We offer our services on a fee basis, and depending on the type of service, we charge an asset-based fee, hourly rate or fixed fee. Prior to engaging us to provide any investment advisory services, we will enter into one or more written agreements with you setting forth the terms and conditions under which we will provide our services.

Investment Management Services

If you choose to become an investment management client, we will have you sign an investment advisory agreement, which establishes the general terms and conditions of our engagement. We will discuss your financial needs and goals as well as risk tolerance and other individual circumstances to determine which strategy will meet your investment objectives. You must notify us promptly when there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon our management services. For additional information regarding our investment discretion see Item 16.

Financial Planning and Consulting Services

We offer a broad range of comprehensive financial planning and consulting services, which include non-investment related matters. We offer comprehensive and continual financial planning, under which we will review your overall financial situation and provide recommendations covering retirement cash flow and estate planning, and risk management. If you desire financial planning on a more limited scope, we offer a variety of services, which include providing you with a report and recommendations regarding asset allocations, estate planning or retirement planning.

As part of your financial plan, we generally recommend other services we offer or the services of other professionals to implement our recommendations. While recommending our own services does present a conflict of interest, you are under no obligation to act upon any of our recommendations and you are not required to engage the services of any recommended professional, including us as an investment manager. You retain absolute discretion over all financial planning implementation decisions and may accept or reject any of our recommendations. It is your responsibility to notify us promptly if there is any change in your financial situation or investment objectives so that we can review, evaluate, or revise our previous recommendations and services.

For some clients our consulting services include one or more of the following: Closely Heald Advisory Team[®] (C.H.A.T.[®]), insurance reviews, and other financially related topics as requested.

Alternative Investment Services

To investors for whom an alternative investment is suitable, we will recommend investment in one or more alternative investment vehicles including, but not limited to, hedge funds and private equity funds. A recommendation to invest in such an alternative investment vehicle is done so on a non-discretionary basis. This means that even if we recommend an alternative investment, you are not required to make such investment and any investment will only be made upon your execution of subscription or other documents admitting you as an investor.

To invest in an alternative investment vehicle, you will be required to meet strict suitability criteria with regards to your net worth, liquid net worth, income and other applicable requirements. You will receive disclosure documents for each fund in which you are interested in investing. It is important that you read the disclosure documents and ask us if you have any questions prior to investing. See Items 5, 7 and 8 for additional information regarding our alternative investment services.

Other Investment Services

We also provide investment management services for the following: (1) annuity products, individual bonds and/or cash and equivalents that you may own; or (2) your individual account in an employer-sponsored retirement plan. We refer to these accounts as being an outside managed account (“OMA”) because we are not engaged by the insurance company or your employer-sponsored retirement plan. Typically, when we provide these services your assets are maintained either at the specific insurance company that issued you the variable life/annuity product, or at the custodian designated by you or your retirement plan’s sponsor. When providing advice regarding your annuity products, individual bonds, cash and equivalents or retirement plan, we utilize the asset allocation of one of our investment strategies and implement with the most appropriate funds made available by the insurance or plan provider.

We can also assist you with establishing a 529 plan and review its investments when needed.

Assets Under Management

We manage client assets on both a discretionary and nondiscretionary basis, and as of December 31, 2019, we had \$223,459,885 in client assets managed on a discretionary basis and \$25,518,955 in client assets managed on a nondiscretionary basis.

ITEM 5: FEES AND COMPENSATION

Investment Management Service Fees

Our investment management services are billed quarterly in advance and are based upon a percentage of the market value of the assets in your account(s) under our management. Our fee varies depending upon

the investment strategy and market value of the assets under management. We aggregate the account values within an adviser fee group and calculate our fee based on a tiered fee schedule. This means that the respective fee amounts apply only to the assets in the applicable tier (e.g., an account with \$750,000 in assets is charged 1.95% on the first \$250,000, 1.80% on the next \$250,000 and 1.70% on the remaining \$250,000).

The table below sets forth the schedule of fees applicable to new accounts invested in the specified adviser fee group. Some accounts have a lower fee than what is listed. The minimum annual fee for the OMA Tactical strategy and OMA NorthStar strategy is \$500. We may waive the minimum fee in our discretion, based on other assets under management or future contributions expected. We also reserve the right to waive our advisory fees on Cash and Equivalent accounts, in our discretion, and currently do waive it. If we change this practice, we will notify affected clients in advance of billing.

Account Value	Adviser Group #1 Annual Fee <i>Accounts not in Groups #2 or #3</i>	Adviser Group #2 Annual Fee <i>Cash and Equivalent Accounts</i>	Adviser Group #3 Annual Fee <i>529 Accounts</i>
\$0 to \$250,000.00	1.95%	0.65%	0.50%
\$250,000.01 to \$500,000.00	1.80%		
\$500,000.01 to \$1,000,000.00	1.70%		0.40%
\$1,000,000.01 to \$2,000,000.00	1.35%	0.45%	0.30%
\$2,000,000.01 to \$5,000,000.00	1.15%	0.35%	
\$5,000,000.01 to \$10,000,000.00	0.60%	0.25%	0.20%
\$10,000,000.01 and above	0.50%	0.15%	

Fee Calculation Example

An annualized fee calculation can be illustrated by the following example. Assume a client has \$1,500,000 total across the following Adviser Fee Groups:

1 account from Adviser Fee Group #1	\$250,000
1 account from Adviser Fee Group #1	\$1,000,000
1 account from Adviser Fee Group #2	\$200,000
1 account from Adviser Fee Group #3	\$50,000

The adviser fee would be as follows:

<u>Adviser Fee Group #1:</u>	<u>Asset Range</u>	<u>Rate</u>	<u>Total Adviser Fee</u>
For two accounts totaling \$1,250,000	For the first \$250,000	1.95% x \$250,000 =	\$ 4,875
	On the next \$250,000	1.80% x \$250,000 =	\$ 4,500
	On the next \$500,000	1.70% x \$500,000 =	\$ 8,500
	Remaining balance	1.35% x \$250,000 =	\$ 3,375

Subtotal Annualized Adviser Fee Group #1: \$21,250

<u>Adviser Fee Group #2:</u>	<u>Asset Range</u>	<u>Rate</u>	<u>Total Adviser Fee</u>
Short-Term Income Instruments	For the first \$1,000,000	0.65% x \$200,000 =	\$ 1,300

Subtotal Annualized Adviser Fee Group #2: \$ 1,300

<u>Adviser Fee Group #3:</u>	<u>Asset Range</u>	<u>Rate</u>	<u>Total Adviser Fee</u>
529 College Savings Plan	For the first \$500,000	0.50% x \$50,000 =	\$ 250

Subtotal Annualized Adviser Fee Group #3: \$ 250

TOTAL ANNUALIZED ADVISER FEE: \$ 22,800

Custom Fee Schedules

You may have restrictions or investment needs that dictate a “custom” approach to your investment account. The fee range for custom accounts is 0.50% to 1.95%. If your assets are managed as a custom account, the specific fee schedule we charge is established in our written investment advisory agreement with you. We will determine your specific fee based on the investment products and strategies used in your custom account.

Fee Prorations

We prorate the fee for your initial quarter starting the day your assets are designated for our management. Our agreement with you continues until one of us terminates the agreement by providing the other party with written notice. We prorate our fees through the date of termination and we refund you any outstanding balance, as appropriate, in a timely manner.

You may make additions to and withdrawals from your account at any time. Additions may be in cash or securities, although we reserve the right to liquidate any transferred securities or decline to accept certain securities into your account. You may withdraw assets from your account by contacting us and we will

provide the appropriate paperwork required by the custodian to initiate a withdrawal. Any withdrawal is subject to the custodian's usual and customary securities settlement procedures. Generally, we prorate our fees for each capital contribution or withdrawal of \$50,000 or more made during the applicable calendar quarter.

Additional Information on Fees and Services

We reserve the right to negotiate our fees with all clients, which are higher or lower than those described in this Brochure. Whether or not we negotiate fees, the fees we will charge you will be set forth in your investment advisory agreement.

We generally waive our adviser fee for our associated persons' immediate family members and our employees. For some other clients, we also modify our standard adviser fee based on assets under management, future contributions expected, personal relationships, or scope of work performed.

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses incurred in connection with providing investment advisory services to you. Mutual funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are in addition to our fee. For additional information regarding brokerage arrangements see Item 12.

We design our portfolios as long-term investments and asset withdrawals could impair the achievement of your investment objectives. We will consult with you about your options and ramifications of transferring securities. You should be aware that when transferred securities are liquidated, you will incur applicable commissions, transaction fees, fees assessed at the mutual fund level or variable annuity level (e.g., contingent deferred sales charges, redemption fees) and/or taxes. You are responsible for any commissions, transaction costs or fees, or taxes due in connection with the liquidation of investment positions to facilitate cash or asset withdrawals.

Generally, you will authorize us under our investment advisory agreement to direct your custodian to deduct our fees directly from your account. If you provide us such authorization, the custodian's periodic statements will show each fee deduction from your account. You have the option to withdraw this authorization for direct billing of these fees at any time by notifying your custodian or us in writing.

Financial Planning and Consulting Services Fee

If you engage us to provide financial planning and consulting services, we charge you a fee for these services. Our financial planning and consulting fees are negotiable, but generally range from \$1,000 to \$50,000 on a fixed fee basis and from \$200 to \$500 on an hourly rate basis. The range of fees depends upon the level and scope of the services you desire and the professional rendering of financial planning or consulting services. We typically require you to pay one-half of the estimated hourly or fixed fee when the written agreement is signed. The balance is due upon delivery of the financial plan or completion of the agreed upon services, or as otherwise stated in our agreement.

You may terminate our agreement at any time by giving us written notice and we may terminate our agreement by providing you with written notice. In the event you terminate our financial planning or consulting services, we refund the balance of any unearned fees to you. If termination occurs within five (5) business days of entering into an agreement you are entitled to a full refund.

Insurance Fee

We are a licensed insurance agency. Most of our investment adviser representatives, in their individual capacities, are licensed insurance agents and when appropriate or requested, will recommend the purchase of certain insurance products. In doing so, our representatives will earn insurance commissions. To that, a conflict of interest exists because our representatives have a financial incentive to recommend that you purchase insurance that generates commission or additional compensation to the representative. However, to mitigate this conflict, if you decide to implement our recommendation to purchase insurance products you are not required to purchase insurance through our affiliated agency or representatives. You have the option to purchase insurance products through another insurance agency of your choice.

Alternative Investment Services Fee

Our services for alternative investments include analyzing funds to determine specific recommendations, performing ongoing due diligence of funds and their sponsors, facilitating capital call payments, reporting on fund valuations, advising on distributions and recommending liquidation actions on funds that offer liquidity. Our services fee for alternative investments will be assessed in the same manner as your fees for other accounts and investments. Unless you are paying an all-inclusive flat fee for services, our alternative investment services fee will be based on the current valuation of “called capital.” Called capital is the amount of money you have invested at any given time with the alternative investment. If you do not have other accounts or investments under our advisement, the alternative investment platform provider or fund sponsor will assess our fee, quarterly in arrears, and remit it to us. In such cases, your fee will be based on the current valuation of “committed capital.” Committed capital is the contractual agreement that obligates you to invest money to the fund in the future.

For access to certain alternative investment funds, we will utilize a third-party platform provider. A platform provider will perform additional services including due-diligence, analysis, reporting and administrative support. For these services, the platform provider charges an annual management fee. This fee is in addition to any fees that we charge for our alternative investment services as described above.

The fund sponsor or manager of the underlying fund will also charge management fees and performance fees. These fees will be specified in the fund’s disclosure documents and will be in addition to our fees and those of the platform provider.

The custodian maintaining the asset will charge nominal transaction and holding fees on alternative investment vehicles.

See Items 4, 7 and 8 for additional information regarding our alternative investment services.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

ITEM 7: TYPES OF CLIENTS

We are an investment adviser providing financial planning, consulting and investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

We impose certain conditions for opening or maintaining an account in our investment strategies. The minimum portfolio size is generally \$500,000, though we may waive the minimum in our discretion. The minimum account sizes for our investment strategies are as follows:

Strategy Name	Minimum Account Size
Short Term Income Instruments	\$ 2,500
Capital Asset Builder, All Weather	\$ 2,500
RIS TM Market, RIS TM Sectors, Hard Assets, Portfolio Diversifier, NorthStar, custom strategies	\$25,000
Tactical, Evalue8	\$50,000

Limitation on Investments in Alternative Investment Vehicles

If you desire to invest in an alternative investment vehicle, you will likely need to qualify as one or more of the following: an “accredited investor” as defined under Regulation D of federal securities law, a “qualified purchaser” as defined under the Investment Company Act of 1940, and/or a “qualified client” as defined under the Investment Advisers Act of 1940. Additionally, a purchase in an alternative investment vehicle may require a minimum investment amount.

See Items 4, 5 and 8 for additional information regarding our alternative investment services.

**ITEM 8: METHODS OF ANALYSIS,
INVESTMENT STRATEGIES AND RISK OF LOSS****Methods of Analysis**

In executing our investment management process, we create various model strategies. Clients with similar investment objectives and risk tolerances typically receive substantially identical portfolio recommendations, depending upon each client’s circumstances. We have engaged third-party consultants to provide us with investment research and analysis. Based on the investment analysis, the third-party consultants will recommend changes to our investment strategies. We will continue to determine which

strategy is appropriate for our clients. The third-party consultants do not provide individualized client investment management but rather provide portfolio design, asset allocation, and securities selection for our investment strategies. We maintain discretion over all trading decisions in the management of our strategies.

We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information. At least annually, we will evaluate the services provided by the third-party consultants.

One of our third-party consultants who provides us with investment support has a less than 1% ownership interest in an exchange-traded fund (ETF) provider, some of whose funds we currently utilize in several of our investment strategies. As a result, this consultant has an economic incentive to recommend these funds to our firm because the consultant indirectly receives fees charged by the funds through its equity ownership interest in the company. We have mitigated this conflict in the following ways: 1) maintaining the ability to not use the funds independent of the consultant's recommendation; 2) limiting exposure to the fund provider in any given strategy and in all strategies as a whole; and, 3) utilizing the funds only where appropriate.

Investment Strategies

We use a variety of strategies depending on client goals and circumstances, each of which is comprised of one or more of the following investment vehicles: stocks, bonds, mutual funds, exchange traded funds (ETFs), municipal securities, options contracts, futures contracts and other types of investments. We often recommend ETFs and mutual funds to promote portfolio diversification within asset classes.

Our investment strategies include the following:

- **Cash and Equivalents:** Seeks to provide income and principal protection via money market funds and certificates of deposit.
- **Short-Term Income Instruments:** Seeks to provide income higher than current money market rates with volatility lower than 1-year to 3-year US Treasury obligations. Utilizes mutual funds and exchange-traded funds with underlying investments in bonds and other fixed income securities.
- **Income Instruments:** Seeks to provide an income level higher than 5-year U.S. Treasury obligations through investment in individual bonds.
- **Responsive Investment Strategies™ (RIS™):** Uses a protect and advance philosophy designed to respond to changing markets with a sell side discipline. We use technical and fundamental factors to maintain a focus on short-term, intermediate-term and long-term market direction. Our decisions are based on a disciplined, trend-following approach to rationally view the cyclical nature, patterns of returns and volatility of financial markets.
 - **RIS™ Tax-Managed Income:** Invests primarily in state and municipal income tax-free bond obligations and looks to protect capital during periods of uncertainty when compared to the Barclay's Municipal Bond Index, utilizing a trend-following approach.
 - **RIS™ Market:** A longer term, lower activity model whose goal is to be invested in global equities during bull markets and in cash and/or fixed income during bear markets.

- **RIS™ Sectors:** Utilizes a two-factor market strength assessment to go “long” with U.S. sectors expected to outperform and go “short” with U.S. sectors expected to underperform.
- **Tactical:** Seeks to achieve capital appreciation through a globally diversified portfolio of equity, fixed income, alternatives and commodities. This strategy is premised on the principal that asset allocation and adjusting tactical underweighting and overweighting are the primary drivers of return.
- **OMA Tactical:** Works within the limitations of the positions available on a given investment platform (e.g., 401(k) provider) to overweight and underweight equities, fixed income and cash.
- **OMA Diversified Tactical:** Seeks to achieve capital appreciation through a globally diversified portfolio of equity, fixed income, alternatives, and commodities. This strategy is premised on the principal that asset allocation and adjusting the tactical underweighting and overweighting are the primary drivers of returns. Specific holdings selected for the strategy are limited by those available on the platform provided by the outside managed account.
- **Capital Asset Builder:** A passive strategy utilizing a globally diversified portfolio comprised of equities, fixed income, and commodities.
- **All Weather:** A passive strategy based on a risk parity philosophy. Allocations are weighted among equities, fixed income and commodities to equalize the risk exposure among each asset class.
- **NorthStar:** A passive strategy which utilizes the strategic asset allocation approach of a globally diversified portfolio of equity, fixed income, alternatives and commodities.
- **OMA NorthStar:** A passive strategy which utilizes the strategic asset allocation approach of a globally diversified portfolio of equity, fixed income, alternatives and commodities. Specific holdings selected for the strategy are limited by those available on the platform provided by the outside managed account.
- **Diversifier:** Seeks to diversify traditional asset allocation utilizing liquid alternative strategies (e.g., Long/Short, Event Driven, Market Neutral, Global Macro and Managed Futures).
- **Hard Assets:** Provides broadly diversified commodities exposure through investments in exchange-traded funds (ETFs), mutual funds and individual stocks allocated in a core-to-satellite fashion (e.g., using one or more diversified commodity funds as core positions complemented by individual commodity positions as satellites).
- **Evalue8:** A strategy comprised of U.S. small cap and mid cap stocks with a strong value bias. The strategy also utilizes a risk management overlay, which in times of market stress results in moving out of equity positions and into risk mitigation holdings.
- **Custom:** Strategies that deviate from the above based on a client’s restrictions and objectives. There are typically derivations of our standard strategies with adjusted weightings or security substitutions.

Model Portfolios

Our investment management style focuses on the use of diversified model strategies. The core strategy is known as the Tactical strategy and has multiple versions to allow for implementation across a range of risk tolerances and investment objectives (e.g., conservative, balanced, growth, etc.). The Tactical

strategies utilize a globally diversified portfolio of equity, fixed income, alternatives and commodities. We also have other model strategies that are used primarily as satellite strategies to our core Tactical strategy.

Margin Leverage

Although we generally do not utilize leverage, there have been instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, we will utilize leverage. The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. It also entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians will apply more stringent rules as they deem necessary.

Short-Term Trading

Although we, as a general business practice, do not utilize short-term trading, there are instances in which short-term trading is necessary or an appropriate strategy. An investment strategy that involves frequent trading will result in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

Use of Hedging Strategies

Some of our strategies invest a percentage of assets in funds that can take inverse or short positions in companies, sectors or markets. This could result in that portion of the strategy losing money should the securities that these funds/managers are "long in" decline in value or if the securities these funds / managers have "shorted" increase in value, but the ultimate goal is to realize returns in both rising and falling equity markets, while providing a degree of insulation from increased equity market volatility.

Types of Investments and Risk of Loss

You should be prepared to bear the risk of loss when you invest in securities. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We will work with you to attempt

to identify the balance of risk and reward that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not understand fully the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or that no losses will occur in your investment portfolio. Past performance is one consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

We offer advice about a wide variety of investment types, including mutual funds, index funds, ETFs, corporate debt, government and municipal securities, fixed and variable annuities, option contracts on securities, futures, and interests in partnerships investing in real estate and oil and gas investments, each having different types and levels of risk. We will discuss these risks with you in determining the investment objectives that will guide our investment advice for your account. We will explain and answer any questions you have about these kinds of investments, which present special considerations such as those described below.

Mutual Funds, Index Funds and Exchange Traded Funds

Mutual funds and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. Some mutual fund companies waive the sales charge for Registered Investment Adviser firms, while others do not. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are paying two levels of advisory fees and expenses: one layer of fees and expenses is paid at the fund level and one layer of advisory fees is paid to us. Also, we primarily recommend "no-load" mutual funds, which do not have a commission or sales charge because the shares are distributed directly by the investment company, instead of going through a secondary party. Generally, many mutual funds can be purchased directly, without using our services and without incurring our advisory fees.

We invest in open-end mutual funds and exchange-traded funds for most of our clients. However, for certain clients, when appropriate, we will effect transactions in the following types of securities:

- **Equity Securities:** Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in

addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

- **Mutual Fund Securities:** Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.
- **Exchange-Traded Funds (ETFs):** ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. ETFs could be utilized to gain exposure to a portion of the U.S. or foreign markets. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. ETFs that employ leverage, create additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral. Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

While our investment strategies do not hold a concentrated position in any one security, on occasion, a client may hold a large concentrated security position. This is often due to the client participating in an employer's stock plan. There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or sector, one geographic location, one investment manager or one asset class.

Variable Annuities

Variable annuities are highly complex financial products offered by insurance companies. Investment in a variable annuity contract is subject to both general market risk and the insurance company's credit risk. These and other risks are described in the variable annuities' prospectuses. Variable annuities are regulated under both securities and insurance laws and related rules and regulations. Variable annuities offer various benefits and features which may or may not have value to you depending on your circumstances, which we can discuss with you.

Alternative Investments

Alternative investment vehicles are speculative and involve a high degree of risk. Opportunities for withdrawal or redemption and transferability of interests are restricted, and you will not have access to capital on an as needed basis. It is likely that for most funds there will not be a secondary market for your interests and none should be expected to develop. An investment should not be made unless you are prepared to lose all or a substantial portion of your investment. The offering documents for a specific investment will contain risk disclosures which relate to that investment. We urge you to review and carefully consider those risk factors.

See Items 4, 5 and 7 for additional information regarding our alternative investment services.

ITEM 9: DISCIPLINARY INFORMATION

As a registered investment adviser, we must disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

In addition to his capacity as member and investment adviser representative, John Dankovich is a licensed practicing attorney who maintains a limited legal practice, separate and distinct from our firm. No portion of our services to you constitutes legal advice. Rather, you should consult with and seek the advice of your own attorney.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a code of ethics establishing standards of conduct for our firm and the persons associated with us which we call associated persons. Our code requires that our associated persons comply with applicable securities laws. In accordance with Section 204A of the Advisers Act, our code contains written policies reasonably designed to prevent the unlawful use of material non-public information by us or any of our associated persons. Our code also requires that certain of our personnel who have access to confidential client information report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. You can request a copy of our code of ethics by contacting us.

Employee accounts that are also managed accounts of the firm own the same securities that we recommend to our clients. While this is viewed as presenting a conflict of interest, orders for accounts within a strategy, whether owned by client or employee, are aggregated or “batched” into one large order in accordance with our trade aggregation and allocation policy described in more detail in the “Aggregation of Orders” section under Item 12.

Also, when we are purchasing or selling, or considering for purchase or sale, any security on behalf of a client that is not part of an aggregated order, an access person cannot purchase or sell that same security before we complete our purchase or until a decision has been made not to purchase or sell such security for our clients. These requirements are not applicable to: (1) direct obligations of the U.S. Government; (2) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (3) shares issued by mutual funds or money market funds; and (4) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

ITEM 12: BROKERAGE PRACTICES

Directed Brokerage and Soft Dollars

Although we do not require you to use a specified broker-dealer, we have established a relationship with Fidelity Brokerage Services, LLC for custodian and brokerage services. As part of this relationship, we receive benefits from Fidelity that we would not receive if we were not on their institutional platform. When we select and recommend custodians or any other broker, we consider the commission rates, execution capabilities, financial responsibility, responsiveness to instructions and the full range of services provided, including research and custodial services. Accordingly, you potentially pay commissions in excess of those which another broker charges for transactional services alone, in recognition of the additional services we receive from our recommended custodian.

We must determine in good faith that the amount of any trade cost paid is reasonable in relation to the value of the brokerage and research services provided. We must also determine that any services we receive provide lawful and appropriate assistance in the performance of our investment decision-making responsibilities. Consistent with the foregoing, while we will seek competitive rates, we will not necessarily obtain the lowest possible commission rates for client transactions.

We have not and do not intend to enter into any contractual third-party soft-dollar arrangements, such as where we commit to place a specific level of brokerage with a specific firm in return for which the brokerage firm will pay for various research related products or services for us, such as communications links or services, computer hardware or software, investment publication subscriptions or other research related products or services that are generally available for separate purchase.

Our custodian makes available to us products and services that benefit us, but which may not directly benefit you. These types of services will help us in managing and administering your accounts. These include providing technology to access your account data; facilitating trade executions; providing research, pricing information, and other market data; facilitating in the payment of our fees from your account; and assisting with back-office functions, record-keeping, and client reporting. Many of these services are used to service all or a substantial number of our accounts

We always endeavor to put the interests of our clients first. You should be aware, however, that our receipt of benefits from our recommended custodian or another broker-dealer creates a conflict of interest

and has the potential to influence our choice of broker-dealer over one that does not furnish similar software, systems support, services or compensation.

Client Directed Brokerage

As stated above, we do not require you to use a specified broker-dealer. You may direct us, in writing, to utilize a specified broker-dealer of your choice to effect transactions for or with your account. Subject to our duty of best execution, we generally decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If you choose to direct your brokerage, you should understand that, in the case of such a directed brokerage arrangement:

- you are solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements;
- we will not seek better execution services or prices from other brokers and dealers in connection with transactions for your account;
- we will not be able to “batch” or “aggregate” transactions for your account with transactions for our other clients not subject to a similar such arrangement; and,
- we will not monitor the performance of, or the services provided by, the brokers and dealers so designated.

We will seek better execution services or prices from other brokers or dealers or “batch” your transactions for execution if such action is required by law or fiduciary duties, including but not limited to, the fiduciary duty provisions under ERISA, or if the designated broker or dealer is unable or unwilling to effect a particular transaction or transactions, which may occur with certain transactions involving fixed-income securities.

Aggregation of Orders

When trading securities across a particular investment strategy, we will aggregate orders for all clients invested in the strategy, including any employee accounts invested in the strategy. In doing so, we strive to treat each client fairly and will not favor one client or employee account over another. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for operational efficiency, mitigation of errors and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

Each account in an aggregated order receives the average share price executed among all orders in the aggregate. If an aggregated order is not filled in its entirety, it will be allocated among all participating accounts on a pro rata basis with all accounts receiving the average share price of the executed amount.

We do not have the capability to aggregate orders for a client having a directed brokerage relationship with a client who does not have a directed brokerage relationship with the same broker-dealer. Orders executed in separate transactions will not receive the same pricing as orders that have been aggregated.

ITEM 13: REVIEW OF ACCOUNTS

Reviews

Our investment committee meets on a regular basis to review our investment strategies in the aggregate. When the committee deems it necessary or appropriate, we will implement changes to our investment strategies. As described under Item 8, we also utilize third-party consultants to monitor the investments held within our strategies.

If you are an investment management client, we monitor your account on an ongoing basis. To assist us in reviewing your account we use various reporting tools to (1) identify if your account is not properly aligned with your investment strategy, (2) determine if the growth / loss in your account during the quarter requires us to rebalance your holdings back to their target allocation, and (3) review your cash position to determine if it is within the pre-determined risk range. In addition, we conduct regular account reviews at least annually. If you are a financial planning or consulting client, we conduct reviews on an agreed upon basis.

We encourage you to discuss your financial needs, goals and objectives with us and to keep us informed of any changes. We contact our ongoing investment advisory clients at least annually to review our previous services and make any necessary recommendations, as well as discuss the impact resulting from any changes in the client's financial situation and investment objectives.

Reports

If you are a financial planning or consulting client, we provide a written report and recommendations to you at the completion of a project. As described in Item 15, if you are an investment management client, you will receive confirmations of your purchases and sales and statements from your broker-dealer or custodian containing account information such as account value, transactions and other relevant account information.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

In previous years, we hosted and sponsored an annual all-day golf outing. We may or may not host and sponsor the event again. When we offer the event, we invite current clients and Centers-of-Influence to be team captains and to invite three potential prospects that have not yet met us. The majority of the cost for the outing is born by us. We do, from time to time, have mutual fund or ETF product manufacturers contribute financially to reduce our cost. We choose the vendor on the basis of whether we are currently utilizing any of their products, and then ask them if they would like to contribute. The amount of contribution, if any, is decided by them. While the amount varies with each event, the product

manufacturers have previously contributed between 5.0% and 20.0% of the cost of the event. We give verbal recognition to the vendor at the golf outing. Sometimes representatives of the vendor will attend the event for part of the day (usually for lunch). The amount the vendor contributes ranges from 0.075% to 0.225% of our annual income, which we believe does not create any influence on what products we utilize in client portfolios. We do attend and sponsor other events that other companies host.

We must inform you if we or a related person directly or indirectly compensates a third-party for referring clients to us. There have been several past arrangements where we engaged with an individual as a solicitor to market our services. However, we do not currently have any active solicitor arrangements. If we engage with a solicitor in the future, any client subject to the arrangement will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor and the terms of that relationship.

We are incentivized to recommend that clients invest in funds of a particular sponsor over another. For example, our custodian does not provide any benefit to us for recommending their own funds nor do we receive 12b-1 fees or a share of other fund operating expenses. Rather, we recommend the funds that we deem to be in the best interest of our clients based on a variety of factors including, but not limited to, total cost of ownership, past performance, tradability and solvency.

ITEM 15: CUSTODY

We do not maintain custody of client assets. Rather, each client appoints a qualified custodian to take possession of all client funds and securities. We do not accept cash or securities. We have procedures in place to direct our associated persons on the handling the inadvertent receipt of any client funds or securities. Nevertheless, we are deemed to have custody when we are authorized, by the client, to directly debit our advisory fees from the client's custodian account. We are also deemed to have custody when a client establishes certain types of letters of instruction or other asset transfer authorization arrangement with their qualified custodian, authorizing us to disburse funds to one or more third parties specifically designated by the client.

Some of our clients provide us with personal identification numbers and passwords so that we can access their accounts for trading purposes and/or planning purposes. Because we have this information in our possession, we are deemed to have "custody" of certain clients' assets under Rule 206(4)-2 of the Investment Advisors Act of 1940. We have engaged an independent public accounting firm to conduct surprise examinations of these accounts. The accounting firm will conduct these audits each year at a time chosen by the accounting firm without prior notice to us, and that is irregular from year to year.

You will receive statements from the broker-dealer, bank or other qualified custodian that holds and maintains your investment assets at least quarterly. We urge you to carefully review such statements and compare such official custodial records to account summaries that we provide to you, if any.

ITEM 16: INVESTMENT DISCRETION

We generally receive discretionary authority in writing from you at the outset of our relationship per the investment advisory agreement. Discretionary authority grants us the ability to determine, without obtaining your specific consent, the securities to be bought or sold for your portfolio, the amount of securities to be bought or sold, and in most cases, the broker or dealer to be used and the commission rate to be paid. You may establish written investment guidelines and restrictions to limit our discretionary authority in relation to your accounts. In all cases, we exercise such discretion consistent with your investment policies, limitations, restrictions, account size and risk tolerance.

Also, you will likely sign an agreement with your custodian which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within the account, but not direct the assets outside of your custodial account.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of firm policy, we will not be responsible for responding to proxies solicited with respect to annual or special meetings of shareholders of securities held in your account. If you are an ERISA plan, the plan fiduciary of your account expressly retains the authority and responsibility for voting any proxies and we are expressly precluded from voting your proxies. If you have questions about a particular solicitation, please contact us at (248) 418-5100 to discuss.

ITEM 18: FINANCIAL INFORMATION

As a registered investment adviser, we must provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.