

**Midland Financial Advisors, Inc.
524 Milwaukee Street
Suite 300
Delafield, WI 53018

(262) 303-4503**

March 15, 2020

This brochure provides information about the qualifications and business practices of Midland Financial Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (262) 303-4503 and/or compliance@midlandfa.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Midland Financial Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Any references to Midland Financial Advisors, Inc. as a registered investment adviser or its related persons as registered advisory representatives do not imply a certain level of skill or training.

Material Changes

At least annually, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The last annual update to this Brochure was filed on March 1, 2019. There have been no material changes to the brochure since that filing.

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Advisory Business

Midland Financial Advisors, Inc., formerly known as CedarPoint Investment Advisors, Inc., (hereinafter referred to as "Midland Financial Advisors, Inc.") is an investment advisory firm offering a variety of advisory services customized to your individual needs. The services are more fully described below.

The firm was incorporated in February of 2009 with the State of Wisconsin, and was registered with the Securities and Exchange Commission in April of 2009. Midland Financial Advisors, Inc. is Wisconsin-based "C" Corporation that is 100% owned by Midland States Bancorp, Inc. Midland Wealth Management is a trade name used by Midland States Bank, its subsidiary Midland Trust Company and its affiliate Midland Financial Advisors, an SEC registered investment advisory firm.

Midland Financial Advisors, Inc.'s investment advisory philosophy is firmly based upon taking a holistic approach in providing advisory services to its clients. Midland Financial Advisors, Inc.'s clients are best served by our comprehensive financial planning approach, coupled with our comprehensive investment management approach.

Midland Financial Advisors, Inc.'s investment process routinely utilizes a core group of investment vehicles that involves the use of mutual funds, exchange traded funds, individual stocks, bonds, municipal securities, government bonds, Real Estate Investment Trusts (REITs), annuities, certificates of deposit and cash and cash equivalents. However, Midland Financial Advisors, Inc. will discuss, review, and develop strategies across a wide variety of investment vehicles including those that would be considered traditional or alternative. For example, Midland Financial Advisors, Inc. will consider and/or include in an asset allocation individual stocks, bonds, fixed or variable annuity products, limited partnerships and other investments you may own.

Because each individual is unique, the data gathering process itself will vary from individual to individual.

- The process is started by participating in an initial meeting or meetings for the purpose of determining whether or not you are a good fit for Midland Financial Advisors, Inc.'s management style. Additionally, the meetings will assist you to determine whether or not Midland Financial Advisors, Inc. and its services will meet your needs.
- Once the above questions have been answered affirmatively, the information gathering and presentation meetings being. These meetings may be limited to as few as one or may result in a number of meetings over several months. In those cases where geographical limitations make face-to-face meetings more challenging, Midland Financial Advisors, Inc. will use teleconferencing to obtain the necessary information.

- Midland Financial Advisors, Inc. utilizes a variety of tools to assess your risk tolerance.
 - Data Gathering Form - Assists Midland Financial Advisors, Inc. to obtain relevant information about your personal situation.
 - Investment Allocation Review Questionnaire – May be used as a tool for the purpose of gaining an objective evaluation of an individual's risk tolerance.
 - Finally, as is appropriate, Midland Financial Advisors, Inc. may utilize third party vendor software to evaluate and assess your current financial status and portfolio situation.
- Once all information has been gathered, Midland Financial Advisors, Inc. will schedule a meeting and present an asset allocation customized to your investment objectives and risk tolerance.
- Upon your agreement, Midland Financial Advisors, Inc. will implement the asset allocation and provide ongoing management.

Midland Financial Advisors, Inc. tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

Asset Management Services

As of December 31, 2019, Midland Financial Advisors, Inc. has under management \$244,310,899 of assets over which it provides discretionary management and \$11,974,917 over which it provides non-discretionary management.

The asset management process takes the following steps:

1. Analyze your current financial position
2. Develop and design a portfolio for you
3. Formalize your investment policy statement
4. Implementation
5. Monitoring and ongoing management of your portfolio – As deemed appropriate by Midland Financial Advisors, Inc., Midland Financial Advisors, Inc. will rebalance and reallocate the portfolio on a discretionary basis. That is, Midland Financial Advisors, Inc. will facilitate buys, sells and exchanges within your account without prior discussion.

Midland Financial Advisors, Inc. utilizes blended Equity/Fixed Income portfolios. Any one of the the model portfolios can and will be modified accordingly to your individual needs. Factors that might result in a deviation from the "straight model" include your need for liquidity, income tax circumstances, the presence of existing investments that need to be retained for various reasons, or any number of other factors in which the deviation would be in your best interest.

You are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

Financial Planning

Midland Financial Advisors, Inc. offers comprehensive financial planning services on either a one-time or on-going basis.

Midland Financial Advisors, Inc.'s financial planning services work to address your individual circumstances based upon your needs and objectives. Midland Financial Advisors, Inc. will render advice based upon the data and personal information you provide to Midland Financial Advisors, Inc. The financial plan incorporates various assumptions that you agree upon and other assumptions made by Midland Financial Advisors, Inc.

Midland Financial Advisors, Inc. offers the following financial planning services:

1. Retirement Planning
2. Cash Flow and Budgeting
3. Estate Planning in collaboration with your attorney
4. Tax Planning in collaboration with your CPA
5. Insurance Planning
6. Investment Planning
7. Educational Planning
8. Intergenerational Succession Planning

Midland Financial Advisors, Inc.'s financial planning process actively involves the six steps of the Financial Planning Process that is endorsed by the Certified Financial Planner™ Board of Standards, Inc.:

- 1. Establishing and defining the scope of the relationship (Establish)**

Midland Financial Advisors, Inc. will work with you to identify the services to be provided. You will be provided an estimate of costs associated with such services.

- 2. Gathering information (Gather)**

Midland Financial Advisors, Inc. will gather financial and non-financial information that it deems necessary to develop a personal financial strategy document (a financial plan). The financial plan attempts to outline your goals and objectives, overall financial and investment situation, and ultimately the course(s) of action that Midland Financial Advisors, Inc. believes will offer the best route to working toward your financial goals and objectives. Documents Midland Financial Advisors, Inc. will generally gather include statements on bank and financial accounts, tax returns, questionnaires, and personal interviews. During this process, Midland

Financial Advisors, Inc. will seek to assist you in formalizing and prioritizing your specific goals and objectives.

3. Analyze Current Financial Position (Prepare)

Midland Financial Advisors, Inc. will conduct a thorough analysis of the current investment portfolio, financial goals, time horizons and risk tolerance. While analyzing the data obtained from you, Midland Financial Advisors, Inc. may, with your permission, consult your attorney, accountant or other specialized advisers. It is important to note that Midland Financial Advisors, Inc. will restrict its services to the level of competency of Midland Financial Advisors, Inc. and its advisory representatives, or based upon specific regulatory limitations.

4. Develop and presenting the financial plan (Recommend)

Once a financial strategy has been prepared, Midland Financial Advisors, Inc. will present the plan to you. The plan presentation will provide an overview of your current financial position, recommendations and how the recommendations may affect the overall outcome of your specified goals and objectives. Typically plans need to be revised on an annual basis due to unexpected events that occur throughout one's life.

5. Implementing the recommendations (Implement)

Midland Financial Advisors, Inc. will assist you with the implementation phase. You are free to accept or decline any or all advice provided by Midland Financial Advisors, Inc. You are responsible for the implementation of the plan.

6. Monitoring and Supervision of Plan (Monitor)

You have the option of retaining Midland Financial Advisors, Inc. to provide on-going supervision of the plan.

A conflict of interest may exist between the interests of Midland Financial Advisors, Inc. and/or its advisory representatives and your interests in that Midland Financial Advisors, Inc. offers financial planning and investment advisory services for a fee and its advisory representatives offer various insurance products for which they may be paid a commission. In these cases, Midland Financial Advisors, Inc. would not proceed with the process without first explaining this conflict, in writing, and collecting the client's written approval to proceed.

General Information

You are advised the investment recommendations and advice offered by Midland Financial Advisors, Inc. are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform Midland Financial Advisors, Inc. promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify Midland

Financial Advisors, Inc. of any such changes could result in investment recommendations not meeting your needs.

Fees and Compensation

Asset Management Services

Fees for investment and asset management services are billed directly to your accounts, unless other payment arrangements have been made prior to a month-end. The fee is calculated and payable at the end of each calendar month, and is based upon the value of assets being managed by Midland Financial Advisors, Inc.

Fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. With the exception of the fees charged for management of Employer Sponsored Plan, the fees for all portfolios utilizing a blended equity-component generally adhere to the following schedule:

<u>Assets under Management between:</u>	<u>Annual Fee as %</u>
\$0 - \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$5,000,000	0.60%
Over \$5,000,000	0.50%

Midland Financial Advisors, Inc. will consolidate accounts by household to determine the total market value of the household accounts for investment management fee calculation purposes.

Although Midland Financial Advisors, Inc. has established the aforementioned fee schedule; we retain the discretion to negotiate alternative fees on a client-by-client basis. Client circumstances, facts and needs are considered in determining the fee schedule. These include, but are not limited to, the complexity of the client, amount of assets that Midland Financial Advisors, Inc. is managing, related accounts, portfolio style, account composition, reports and other factors. The specific fees schedule are identified and agreed upon on Schedule B as part of the management contract and signed off by a member of Midland Financial Advisors, Inc.'s management team prior to engagement.

Fees are due after Investment Services (i.e. at the end of each calendar month) are provided and shall be calculated on the basis of the average daily market value of the assets in the Account, including balances in the Account held in a near cash or money market fund. The initial fee shall be charged from the date of inception of Investment Services through the end of the first calendar month and based on the average daily market value for the number of days it was held for the previous month. Thereafter, fees will be payable

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monthly based upon the average daily market value of assets each calendar month. Midland Financial Advisors, Inc. may, in its discretion, aggregate accounts related to the Account for fee calculation purposes.

In addition to the advisory fees above, you may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Midland Financial Advisors, Inc. does not share in any portion of such fees. Additionally, you may pay a proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such fees are not shared with Midland Financial Advisors, Inc. and are compensation to the fund-manager.

It is important to note that most of the investment vehicles utilized in Midland Financial Advisors, Inc.'s portfolios will include some form of underlying internal management expense. Additionally, the implementation, liquidation, or rebalancing processes that are present in portfolio management will result in certain transactional costs from the custodian of choice, and that these expenses are not included within the above fee schedules. Such transaction costs as stated above are not shared with Midland Financial Advisors, Inc.

Registered 501(c)3 charitable and not-for-profit organizations are granted a 25% reduction from the standard fee schedule. A copy of the organization's 501(c)3 determination may be required by Midland Financial Advisors, Inc. to confirm the organization's qualifications for this discount.

Employees and immediate family members of Midland Financial Advisors, Inc., Midland States Bank or any affiliate of Midland Holding Company will be granted a 20% reduction from the standard fee schedule. Proof of employer and relationship may be required by Midland Financial Advisors, Inc. to confirm the individual's qualifications for this discount.

Midland Financial Advisors, Inc. will apply a uniform 25% reduction in Investment Services fees, based upon the above table, to any account that is opened and administered by a third party, corporate trustee. Please note that this discount only applies to corporate trustees and not individuals.

Financial Planning

You are advised that fees for planning services are strictly for planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Fees are negotiable. Your fees will be dependent on several factors including time spent with Midland Financial Advisors, Inc., number of meetings, complexity of your situation, amount of research, services requested and staff resources.

Midland Financial Advisors, Inc.'s hourly fee for consulting services ranges from \$125.00 - \$300.00 per hour. One-half of the estimated fee is due at the time the engagement letter is signed, and the balance is due upon presentation of the completed plan.

Termination Provisions

In the event you opt to discontinue the financial planning arrangement prior to its completion, Midland Financial Advisors, Inc. will calculate the amount due based upon the agreement in force and amount of time completed on the project, and will either issue a refund for your unused balance, or Midland Financial Advisors, Inc. will provide an invoice for work that has been provided with any remaining balance due, taking into account your deposit made at the arrangement's inception. You are given five (5) business days from the execution of the advisory agreement to terminate services and receive a full refund.

Performance-Based Fees and Side-By-Side Management

This section is not applicable to Midland Financial Advisors, Inc. since Midland Financial Advisors, Inc. does not charge performance-based fees to clients.

Types of Clients

Midland Financial Advisors, Inc. offers investment and asset management services to individuals both high net worth (i.e. clients with a net worth of \$1,500,000) and other than high net worth, for-profit and not-for-profit corporations, trusts, including profit sharing and pension trusts, estates and other clients in need of such services.

In order to guarantee participation in the Employer-Sponsored Retirement Plan Management program, the account balance must be equal to or greater than \$50,000. However, Midland Financial Advisors, Inc. reserves the right to waive this requirement.

Methods of Analysis, Investment Strategies and Risk of Loss

Midland Financial Advisors, Inc.'s investment philosophy revolves around the concepts of, but not limited to, Modern Portfolio Theory. Modern portfolio theory (MPT) is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset.

Midland Financial Advisors, Inc. analyzes the historical relationship between the risk and return characteristics of different asset classes to develop its model portfolios. Midland Financial Advisors, Inc. identifies and diversifies risk through strategic asset class diversification and may overlay tactical shifts periodically when prudent. Midland Financial

Advisors, Inc. as a general rule will not maintain more than 7% of a cash balance in a managed account.

Midland Financial Advisors, Inc. uses fundamental and technical methods to analyze securities. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns.

Midland Financial Advisors, Inc. is authorized to purchase and sell certain families of mutual funds that may not be available through other advisers ("Designated Funds"). The distributors of Designated Funds allow such funds to be held in accounts serviced only by an adviser meeting their established standards. As a result, should the Agreement with Midland Financial Advisors, Inc. terminate, you are required by the terms of the Agreement to transfer all securities positions, including Designated Funds, to another qualified adviser and custodian within 30 days of the termination date. If you do not locate another qualified adviser and complete all transfers within 30 days, Midland Financial Advisors, Inc. has discretion to sell the securities, including the Designated Funds, and send the proceeds to you. You should be aware that such sales by Midland Financial Advisors, Inc. may have adverse tax consequences, and may result in the inability to repurchase such Designated Funds at a later date.

Midland Financial Advisors, Inc. does not represent, warrant or imply that the services or methods of analysis used by Midland Financial Advisors, Inc. can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Midland Financial Advisors, Inc. will provide a better return than other investment strategies.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. Managed account programs should be considered a long-term investment and thus long-term performance and performance consistency are the major goals.

You are advised investing involves risk of loss. You must be prepared to bear the risk of loss of principal and market fluctuations.

Disciplinary Information

There is no reportable disciplinary information required for Midland Financial Advisors, Inc. or its advisory representatives.

Other Financial Industry Activities and Affiliations

Midland States Bank, Midland Trust Company, and Love Funding Corporation (referred to collectively as the “Affiliated Companies”) are affiliated with Midland Financial Advisors, Inc. All are under the common control of Midland States Bancorp, Inc. Midland States Bancorp, Inc. and Midland States Bank provide certain administrative and operational support services to Midland Financial Advisors, Inc. that may be material to our advisory business. Registered Investment Advisors of Midland Financial Advisors, Inc. are prohibited from giving recommendations or advice on Midland States Bancorp, Inc. stock (NASDAQ: MSBI).

The Affiliated Companies are affiliates because, as indirect, wholly owned subsidiaries, they are under common control of Midland States Bancorp, Inc., which is a bank holding company. Midland States Bancorp, Inc. is a bank holding company that offers a broad spectrum of banking products and financial services to consumers, small businesses, and commercial clients. As an affiliate of Midland States Bancorp, Inc., Midland Financial Advisors, Inc. is under common ownership and control with several financial institutions with which we have a business relationship. A list of these Affiliated Companies is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.A. (Part 1 of our Form ADV can be accessed by following the directions on the Cover Page of this Firm Brochure.)

There may be arrangements between Midland Financial Advisors, Inc. and other Affiliated Companies where Midland Financial Advisors, Inc. and/or the Affiliated Companies and their employees receive payment in exchange for client referrals. No Midland Financial Advisors, Inc. client is obligated to use the services of any of the Affiliated Companies. Clients should be aware that the receipt of additional compensation by Midland Financial Advisors, Inc. and its Affiliated Companies creates a conflict of interest that may impair the objectivity of the firm and its employees when making advisory recommendations. Midland Financial Advisors, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for Midland Financial Advisors, Inc. and its Affiliated Companies to earn compensation from advisory clients in addition to the Firm’s advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or Affiliated Companies;
- we collect, maintain, and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;

Midland Financial Advisors, Inc.

- Midland Financial Advisors, Inc. management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Our Investment Advisor Representatives may be licensed with various insurance companies to offer insurance services in the area of life, health and disability income. Commissions will be earned if the insurance products are purchased. You are under no obligation to purchase insurance products or services. Our Investment Advisor Representatives spend less than 10% of their time offering insurance products. While the insurance business is not a significant business to our Investment Advisor Representatives, and they do not concentrate resources toward the business, this disclosure is provided to you as a result of the potential conflict of interest.

Midland Financial Advisors, Inc. attempts to mitigate the conflicts of interest with the potential receipt of commissions if recommendations are implemented by providing you with these disclosures. Further, you are encouraged to consult other professionals and may implement recommendations through other financial professionals.

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

These reporting requirements allow supervisors at Midland Financial Advisors, Inc. to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for you accounts. The Code of Ethics also establishes certain bookkeeping requirements relating to the new federal reporting rules. The Code of Ethics is required to be reviewed annually and updated as necessary. A complete copy of Midland Financial Advisors, Inc.'s Code of Ethics is available upon request.

Midland Financial Advisors, Inc. is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

The officers, representatives and employees of Midland Financial Advisors, Inc. may purchase the same securities for their personal accounts that are recommended to you. When an officer, representative or employee engages in a transaction in the same securities as those being purchased or sold to you, your transactions is given priority. Midland Financial Advisors, Inc. will not place any trades for its officers, employees, related persons or within any account over which an officer, related person or employee maintains

beneficial ownership or trading authority, on the same day that it places trades within the accounts of its advisory clients.

Midland Financial Advisors, Inc. has adopted a strict Insider Trading Policy that restricts trading in those securities of issuers for which Midland Financial Advisors, Inc., its related persons or its employees may have non-public information. This policy requires all of Midland Financial Advisors, Inc.'s employees and related persons to report all personal transactions promptly to the Chief Compliance Officer of Midland Financial Advisors, Inc.

You have the right to decline any investment recommendation. Midland Financial Advisors, Inc. and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

CODE OF ETHICS

Midland Financial Advisors, Inc. has a fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. Midland Financial Advisors, Inc. takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Midland Financial Advisors, Inc.'s policies and procedures. Further, Midland Financial Advisors, Inc. strives to handle clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides clients with Midland Financial Advisors, Inc.'s Privacy Policy. As such, Midland Financial Advisors, Inc. maintains a Code of Ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, Midland Financial Advisors, Inc.'s Code of Ethics establishes Midland Financial Advisors, Inc.'s expectation for business conduct. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

Brokerage Practices

Midland Financial Advisors, Inc. will recommend you establish accounts at TD AMERITRADE Institutional. It is your final decision to custody assets with TD AMERITRADE Institutional. TD AMERITRADE Institutional is independently owned and operated and not affiliated with Midland Financial Advisors, Inc.

TD AMERITRADE Institutional provides Midland Financial Advisors, Inc. with access to its institutional trading and custody services, which are typically not available to TD AMERITRADE retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as assets are maintained in accounts at TD AMERITRADE Institutional. These services may be contingent

upon Midland Financial Advisors, Inc. committing to TD AMERITRADE Institutional a specific amount of business (as determined by either assets in custody or trading commissions). TD AMERITRADE Institutional's brokerage services include the execution of securities transactions, custody, research, and 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.

With regard to Midland Financial Advisors, Inc. client accounts maintained in custody, TD AMERITRADE Institutional generally does not charge separately for custody services, but instead is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through it or that settle into its accounts.

TD AMERITRADE Institutional also makes available to Midland Financial Advisors, Inc. other products and services that benefit Midland Financial Advisors, Inc. but may not directly benefit you. Many of these products and services may be used to service all or some substantial number of Midland Financial Advisors, Inc.'s accounts, including accounts not maintained at TD AMERITRADE Institutional. TD AMERITRADE Institutional products and services that assist Midland Financial Advisors, Inc. in managing and administering your accounts include, but are not limited to, software and other technology that (i) provide access to your account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Midland Financial Advisors, Inc.'s fees from your accounts; (v) assist with back-office functions, recordkeeping and client reporting; (vi) provide access to third party money managers; and (vii) provide business and/or professional training to the Midland Financial Advisors, Inc.'s personnel.

TD AMERITRADE Institutional also offers other services intended to help Midland Financial Advisors, Inc. manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. TD AMERITRADE Institutional may make available, arrange and/or pay third-party vendors for the types of services rendered to Midland Financial Advisors, Inc. and may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Midland Financial Advisors, Inc. TD AMERITRADE Institutional may also provide other benefits such as educational events or occasional business entertainment of Midland Financial Advisors, Inc. personnel.

Therefore, you are advised Midland Financial Advisors, Inc. has an incentive to select or recommend you to utilize the services of TD AMERITRADE Institutional based on its ability to have access to institutional trading and custodial services. Consequently, you may not receive the most favorable execution costs.

In evaluating whether to recommend a client custody assets at TD AMERITRADE Institutional, Midland Financial Advisors, Inc. may take into account the availability of some of the above referenced products and services. Additionally, Midland Financial Advisors, Inc. may consider other factors and not solely the nature, cost or quality of custody and brokerage services provided by TD AMERITRADE Institutional, which may create a potential conflict of interest.

You are advised that not all investment advisers require you to maintain accounts at a specific broker/dealer. Further, you are advised you may maintain accounts at another broker/dealer. However, the services provided by Midland Financial Advisors, Inc. may be limited to only advice and may not include implementation. If you select another brokerage firm for custodial and/or brokerage services, you may not be able to receive asset management services from Midland Financial Advisors, Inc.

Periodically, Midland Financial Advisors, Inc. will review alternative broker/dealers and custodians in the marketplace to ensure TD AMERITRADE Institutional is meeting Midland Financial Advisors, Inc.'s duty to provide best execution for client accounts. The review will include a comparison to TD AMERITRADE Institutional, which involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. Best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

Review of Accounts

Asset Management Services

Midland Financial Advisors, Inc. conducts internal reviews and reviews directly with you. The following reviews are conducted:

- Managed accounts are reviewed periodically to determine if an allocation is out of tolerance. Generally, an asset class is considered out of alignment if it's outside of the ranges listed on the objectives within the Investment Policy Statement (Schedule A). However, the determination to rebalance is based on your individual situation.
- Periodically, internal reviews are completed on your account within the fee-based management arrangement. A review consists of an analysis of portfolio holdings, account values, asset allocation, and performance compared to relative benchmark indices.
- Additionally, you are requested to at least annually meet with Midland Financial Advisors, Inc. for a review of your portfolio and financial situation. You may request more frequent reviews at any time.

Midland Financial Advisors, Inc. has an Investment Committee that regularly reviews each individual account for adherence to its underlying allocation, as well as the fundamental investment philosophies of Midland Financial Advisors, Inc. If a change to a model portfolio

is to be made, it must first be reviewed by the Investment Committee and must be approved by a majority vote of the committee members. Your signed Investment Policy Statement specifies your target asset allocation and special circumstances related to the account. Changes to the model portfolios will generally result in the change being applied to each client portfolio invested according to the model.

Please be advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes will require a review of your portfolio allocation and potential changes.

Each report includes certain performance returns for specific denoted time periods. In addition, the report may provide additional performance data for certain benchmark indices, a complete listing of any investment income and management fee expenses that have occurred within your account for the period, and a model of the current asset allocation. All portfolio management fees that are assessed to your account can be seen monthly on the statement provided by the custodian, and quarterly on the Income and Expense portion of the Midland Financial Advisors, Inc.-prepared performance review, unless you elect to pay by check on a “billed” basis.

You should compare any report or statement received from Midland Financial Advisors, Inc. with statements received direct from the account custodian. Should there be any discrepancy the account custodian’s report will prevail.

Financial Planning Services

If you are participating in Financial Planning Services you will not receive regular reviews. Midland Financial Advisors, Inc. recommends you have at least an annual review and update your plan based on changes that have occurred through the year and as well as economical changes. However, the time and frequency of the reviews are solely up to you. Additionally, you will be charged review fees based on the fee schedule disclosed under Financial Planning services above. Other than the initial plan or analysis, there will be no other reports issued.

Client Referrals and Other Compensation

Product vendors recommended by Midland Financial Advisors, Inc. may provide monetary and non-monetary assistance with client events, provide educational tools and resources. Midland Financial Advisors, Inc. does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. Midland Financial Advisors, Inc.’s due diligence of a product does not take into consideration any assistance it may receive. Therefore, this is not considered a conflict of interest but a benefit for the client and Midland Financial Advisors, Inc.

Custody

With the exception of deduction of Midland Financial Advisors, Inc.'s advisory fees from your accounts, Midland Financial Advisors, Inc. does not take custody of your funds or securities.

Investment Discretion

Midland Financial Advisors, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Midland Financial Advisors, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Midland Financial Advisors, Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Midland Financial Advisors, Inc. in writing.

Voting Client Securities

Midland Financial Advisors, Inc. does not vote your securities.

Financial Information

Midland Financial Advisors, Inc. will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.

Requirements for State Registered Advisers

This section is not applicable to Midland Financial Advisors, Inc. Midland Financial Advisors, Inc. is not state registered. Midland Financial Advisors, Inc. is registered with the Securities and Exchange Commission.