



ADV Part 2A Firm Brochure
May 2020

MCF Advisors, LLC
&
MCF Advisors, LLC d/b/a MCF Institutional

Cincinnati/Northern Kentucky

50 East RiverCenter Blvd.
Suite 300
Covington, KY 41011
859.392.8600

Lexington/Central Kentucky

333 West Vine Street
Suite 1740
Lexington, KY 40507
859.967.0999

This Brochure provides information about the qualifications and business practices of MCF Advisors, LLC and d/b/a MCF Institutional (collectively herein referred to as “MCF” or “Firm”). If you have any questions about the contents of this Brochure, please contact us at 859-392-8600 and/or tgavin@mcfadvisors.com. Currently, our Brochure may be requested free of charge by contacting Timothy Gavin at 859-392-8600 or tgavin@mcfadvisors.com. Our Brochure is also available on our web site www.mcfadvisors.com or www.mcfinstitutional.com free of charge.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about MCF is also available on the SEC’s website at: www.adviserinfo.sec.gov. The CRD number for MCF is 130372.

References herein to MCF as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 – Material Changes

Since our last filing, our last annual amendment in March 2020, MCF added language under Item 18-Financial Information to detail the Firm's participation in programming under the CARES Act.

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Item 4 – Advisory Business

About MCF Advisors, LLC (“MCF”)

The Firm was approved as an Investment Advisor in May 2000 by the State of Ohio and subsequently as an SEC Registered Investment Advisor on August 15, 2003. MCF is 100% privately owned by its employees, with David L. Harris, Jr. as majority owner. MCF has two office locations, both located in the state of Kentucky. MCF also operates under the registered d/b/a of MCF Institutional.

Types of Advisory Activities

Wealth Management

MCF’s Wealth Management division serves individuals and small business clients by offering financial planning, portfolio management for individuals and/or small businesses, selection of other advisors (including private fund managers), and bill-payment services.

Financial planning services – MCF provides financial planning services to clients, which can be offered exclusive of investment management. Clients are not required to implement any recommendations made as a result of our financial planning and/or consulting services. The breadth of our services will vary depending on client circumstances.

Portfolio management for individuals and/or small businesses – MCF provides investment management services to individuals and/or small businesses. We employ a tactical asset allocation approach to investing.

Selection of other advisors (including private fund managers) – On occasion, MCF may select money managers to invest capital in accordance with a client’s investment objective. Some clients wish to employ other advisors to implement specific investment strategies, whereby MCF will assist the client with the implementation of the investment manager’s strategy. For clients who meet certain asset threshold requirements, we offer access to Separately Managed Accounts and other investment vehicles that have certain eligibility requirements. These eligibility requirements may include minimum investment amounts and/or investor accreditation.

Bill-payment – This service is offered to clients who wish to outsource their bill supervision responsibilities to us. We will review all of a client’s expenses and facilitate the payment of those financial obligations that a client requests of MCF.

As described above, we provide portfolio management services that are tailored to the specific needs of each client. The client may, at any time, impose reasonable restrictions, in writing, on the securities in which they choose to invest.

MCF Institutional

MCF Institutional provides portfolio management for businesses or institutional clients, portfolio management for individuals and/or small businesses, pension consulting, and selection of other advisors (including private fund managers) services.

Portfolio management for individuals and/or small businesses – We offer risk-based managed asset allocation models to retirement plan participants. Through a separate and additional advisory agreement, plan participants may

engage MCF to provide discretionary investment management services to their retirement accounts.

Portfolio management for businesses (other than small businesses) or institutional clients (other than registered investment companies and other pooled investment vehicles) – We provide discretionary money management services to pension plans, endowments, corporations, privately-held businesses, non-profit organizations, and insurance companies.

Pension consulting services – As an ERISA 3(21) or 3(38) investment fiduciary, we work with Plan Sponsors and organizations to design and implement an efficient retirement plan, while providing clarity to Plan Sponsors and organizations on their fiduciary responsibilities, as well as working to increase plan participation, provide participant education, assess participant retirement readiness, and/or investment performance. Our services generally include the development of an Investment Policy Statement (“IPS”), as well as ongoing monitoring and reporting.

We also offer pension consulting services on a limited consulting basis. Under this engagement scenario, the scope of the engagement and our services will be defined under a written agreement. Services offered under this type of engagement may include benchmarking fees and services of incumbent plan service providers, including recordkeepers, third-party administrators, custodians, and investment advisers, best practice review of committee governance documents, and/or review of existing investment alternatives.

Selection of other advisors (including private fund managers) – We may assist Plan Sponsors and organizations in the selection of money managers to invest capital in accordance with their plan IPS. Additionally, we supervise, monitor, and evaluate the selected money managers’ investment performance, risk exposure, asset class purity, peer group rankings, and benchmark deviation.

As described above, we provide portfolio management services that are tailored to the specific needs of each client. The client may, at any time, impose reasonable restrictions, in writing, on the securities in which they choose to invest.

MCF does not sponsor or act as a portfolio manager for a wrap fee program.

Assets Under Management

As of 12/31/2019, MCF managed the following assets:

Type	Amount (\$)
Discretionary Asset Basis	\$ 1,139,944,200
Non-Discretionary Asset Basis	\$ 727,867,218
Total	\$ 1,867,811,418

Miscellaneous Additions

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent specifically requested by a client to do so, MCF shall generally provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. MCF does not serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed

as same. Accordingly, MCF **does not** prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, etc.) including MCF's representatives in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MCF and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by MCF that a client purchase an insurance commission product from an MCF representative in his/her individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions provides an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from MCF's representatives. Clients are reminded that they are free to purchase insurance products recommended by MCF through other, non-affiliated insurance agents. **MCF's Chief Compliance Officer, Timothy Gavin, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Unaffiliated Private Investment Funds. MCF also provides investment advice regarding unaffiliated private investment funds. MCF, on a non-discretionary basis, at times, recommends that certain qualified clients consider an investment in unaffiliated private investment funds. MCF's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of MCF calculating its investment advisory fee. **MCF's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).**

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that MCF references private investment funds owned by the client on any supplemental account reports prepared by MCF, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

Please Note-Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that might be recommended and/or utilized by MCF independent of engaging MCF as an investment advisor. However, if a prospective client determines to do so, he/she will not receive MCF's initial and ongoing investment advisory services.

Please Note: Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new

employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). In the event MCF recommends that a client roll over their retirement plan assets into an account to be managed by MCF, such a recommendation creates a conflict of interest if MCF will earn an advisory fee on the rolled over assets. When acting in such capacity, MCF serves as a fiduciary under the Employee Retirement Income Security Act (ERISA).

There is a conflict of interest when an MCF representative makes a recommendation that a participant roll over assets from a retirement account into a new or existing account or investment (e.g. rollover IRA) managed by MCF. The conflict of interest exists because MCF will receive compensation (e.g., management fees) if the money is rolled over, but it will not if the recommendation is not accepted. In some cases, MCF could have recommended that the participant leave his or her money in the plan and, in that case, the firm and its representative would not be compensated for their advice. MCF will manage this conflict through a process designed to develop an informed recommendation in the best interest of the client.

No client is under any obligation to rollover retirement plan assets to an account managed by MCF. MCF's Chief Compliance Officer, Timothy Gavin remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

ERISA PLAN ENGAGEMENTS: The Firm may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan sponsor. In such engagements, the Firm will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). The Firm will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm.

Participant Directed Retirement Plans. MCF provides investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Fiduciary Consulting Agreement between MCF and the plan. For such engagements, MCF shall assist the Plan Sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices, and, to the extent engaged to do so, also provide corresponding education to assist the participants with their decision making process. Such engagements present a **conflict of interest** if a plan participant chooses an investment option (asset allocation models) devised and managed by MCF, as more specifically disclosed in the Plan and participant enrollment documents and web site. MCF earns an additional fee for its asset allocation models. As a result, MCF has an economic incentive to recommend that plan participants utilize MCF models rather than other available non-MCF model plan investment options, thereby presenting a **conflict of interest**.

Please Note: Liquidity Constraints. MCF may utilize mutual funds and/or exchange traded funds that provide for limited liquidity, generally on a quarterly basis. Thus, if we determined that the fund was no longer performing or if you ever determined to transfer your account, the Fund could not be sold or transferred immediately. Rather, sale or transfer would need to await the quarterly permitted sale date. Moreover, the eventual net asset value for the Fund could be substantially different (positive or negative) than the Fund value on the date that the sale was requested. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct MCF, in writing, not to employ any or all such strategies for the client's account.

Client Obligations. In performing our services, MCF shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MCF) will be profitable or equal any specific performance level(s).

Schwab Institutional Intelligent Portfolios™ Platform. Within our Wealth Management services described above, we offer, but do not require clients as a condition to hire us, an automated investment program (the “Program”) through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds (“Funds”) and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“CS&Co”). We use the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, “Schwab”). MCF, and not Schwab, is the client’s investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). Based on information the client provides to us, we will recommend a portfolio via the System. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under Item 5 Fees and Compensation, Fee Schedule. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client’s brokerage account; and (iii) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients’ assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co. As of the date of this brochure, MCF maintains more than \$100 million in client assets at CS&Co.

Item 5 – Fees and Compensation

MCF receives its compensation through a combination of fixed and asset-based fees. The fee schedule for MCF’s services is dependent upon the scope of each client engagement. MCF generally recommends that a client engage MCF for services which meet their individual situation, however clients may choose to engage MCF for the services of their choosing. We retain the option to negotiate fees on an individual basis. Factors considered may include: complexity of the client’s situation, assets under management, anticipated future additional assets under management and related accounts, among other factors. The specific manner in which fees are charged by MCF is established in a client’s written agreement with MCF. The respective fees for MCF’s services are as follows:

Wealth Management

Financial planning services – The fixed fee for planning and consulting services ranges from \$2,000 to \$2,500, dependent on the breadth of services selected by the client.

Portfolio management for individuals and/or small businesses & selection of other advisors (including private fund managers) – The asset-based fee schedule for our portfolio management services is outlined in the table below. **Please Note: Grandfathered Fee Schedules.** Many clients have and will continue to be grandfathered under fee schedules and/or agreements that precede the fee schedule set forth at this time. As a result, MCF clients could be subject to various different fee schedules and/or arrangements, including those that may be higher or lower than the fee schedule set forth below. **ANY QUESTIONS:** MCF's Chief Compliance Officer, Timothy A. Gavin remains available to address them.

Fee Schedule:

If the market value of the assets under management is less than \$500,000.00 on the initial billing date, an annual fee of 125 basis points (1.25%) will apply to all assets under management.

Otherwise, if the market value of the assets under management is greater than or equal to \$500,000.00, initially, or anytime thereafter, the following fee schedule will apply:

Client Assets Under Management ("AUM")	Annual Fee (%) for all AUM
On the first \$3,000,000	1.00%
On the next \$7,000,000	0.50%
On amounts in excess of \$10,000,000	0.40%

The fee schedule shall apply to the aggregate amount of the accounts under management. Should the market value of the assets under management decrease below \$500,000.00 after a lower rate has been previously applied, MCF will honor the lower rate.

MCF Institutional

Portfolio management for individuals and/or small businesses – MCF charges an annual rate of 0.50%, billed in quarterly installments for its asset allocation models (managed portfolio strategies service).

Portfolio management for businesses (other than small businesses) or institutional clients (other than registered investment companies and other pooled investment vehicles) – The fee schedule applicable for MCF Institutional's services are customized to each client's individual situation.

Pension consulting services – The fee schedule applicable for MCF Institutional's services are customized to each client's individual situation.

Selection of other advisors (including private fund managers) – The fee schedule applicable for MCF Institutional's services are customized to each client's individual situation.

Clients may elect to be billed directly for fees or to authorize MCF to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable

calendar quarter. Accounts initiated during a calendar quarter will be charged a prorated fee.

MCF's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to MCF's fee, and MCF shall not receive any portion of these commissions, fees, and costs.

MCF will generally bill its fees on a quarterly basis in advance. Upon termination of the applicable Investment Advisory Agreement, MCF will refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Miscellaneous Additions

Schwab Institutional Intelligent Portfolios™ Platform. As described in Item 4 Advisory Business, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; and (iii) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

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

MCF does not have any performance-based fee arrangements, and consequently, does not participate in any side-by-side management.

Item 7 – Types of Clients

MCF provides portfolio management services to individuals, high net worth individuals, trusts, pension and profit-sharing plans, charitable institutions (including foundations), and corporations or other businesses.

MCF generally does not require a minimum account size to open a portfolio. We will match a client's needs to the best service offering and allow the client to choose whether or not to engage MCF.

Miscellaneous Additions

Schwab Institutional Intelligent Portfolios™ Platform. Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open or convert an account in the Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

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

Methods of analysis and investment strategies used in formulating investment advice and/or managing assets.

MCF assists each client to identify and tailor their long-term investment objectives to goals that are representative and suitable to their personal situation. We typically execute this by evaluating their current financial condition through the preparation of a financial plan or through an interview process where the client's willingness to take financial risk is assessed. MCF will recommend a diversified investment strategy or asset allocation portfolio design for the client around this assessment. While our portfolio designs are intended to be diversified in order to mitigate investment risks, there is a risk of loss of both income and principal.

Asset allocation does not ensure a profit or guarantee against loss, it is a method to help manage investment risk. Investing in securities involves risk of loss that clients should be prepared to bear.

Material risks involved in MCF's investment strategies/methods of analysis.

MCF believes investment success comes from focusing on risk management. Risk management is the process of monitoring certain aspects of the portfolio so that it does not take on more risk than desired. We continually analyze the economic landscape as well as portfolio specific data such as asset class correlations, asset class volatility, beta, downside risk, tracking error, sector exposure, yield, duration, and credit quality, among other criteria. In order to minimize risk in our portfolio designs, MCF feels that asset allocation or the process of diversifying money across different asset classes maximizes return and minimizes risk. In MCF's opinion, no one knows for certain what will be the best and weakest performing asset class in a given year, which is why we have exposure to multiple asset classes in our portfolio designs.

Asset allocation does not ensure a profit or guarantee against loss, it is a method to help manage investment risk. Investing in securities involves risk of loss that clients should be prepared to bear.

Types of investments typically recommended, and material risks involved.

In implementing our asset allocation process to a client's portfolio, we may invest in mutual funds, exchange traded funds (or notes), individual equities, and individual fixed income. MCF also provides advice to clients who qualify for private placements, hedge funds, and other alternative investments. In determining the client's long-term investment objectives, we help clients understand the inherent risks involved in investing in capital markets. As with all investment securities, there is a risk of loss of both income and principal. Clients should not assume that any investment will be profitable or achieve any specific performance level.

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Asset allocation does not ensure a profit or guarantee against loss, it is a method to help manage investment risk. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MCF or the integrity of MCF's management. MCF has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations and Conflicts of Interest

Licensed Insurance Agents. Teresa Carl, Christopher Cochran, James Scott Downing, David Harris, Jeffrey Jennings, Hunter Nighbert, Andrew Sathe, Matthew Sathe, Robert Sathe, and Stephen Wright are licensed insurance agents in their individual capacities.

Please Note-Conflict of Interest: The recommendation by MCF that a client purchase an insurance commission product from an MCF representative in his/her individual capacity as an insurance agent, presents a ***conflict of interest***, as the receipt of commissions provides an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from MCF's representatives. Clients are reminded that they are free to purchase insurance products recommended by MCF through other, non-affiliated insurance agents. MCF's Chief Compliance Officer, Timothy Gavin, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

In the event MCF refers a client or other individual to an unaffiliated investment advisory firm and MCF receives compensation in the form of a referral fee, should a referred client or other individual determine to engage the unaffiliated investment advisory firm to provide investment management services, any referral fee received by MCF shall be included in the advisory fee charged by the unaffiliated investment advisory firm in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements.

MCF refers clients and other individuals to unaffiliated professionals, such as attorneys, accountants, insurance brokers, or investment bankers. Because MCF *could request, and receive*, compensation in the form of a referral fee should a referred client or other individual determine to engage the unaffiliated professional to provide professional services, this presents a ***conflict of interest***, as the recommendation to engage the unaffiliated professional would economically benefit MCF if MCF *requested, and received* a referral fee.

MCF Advisors, LLC has a negligible ownership interest (less than 1%) in Lion Street, Inc. Certain MCF employees are licensed insurance agents of Lion Street, Inc. and receive compensation related to the placement of certain insurance products as referenced in the paragraphs above. This ownership interest presents a ***conflict of interest***, as the recommendation to purchase insurance products from Lion Street, Inc. would economically benefit MCF.

MCF Private Trust, a Trust Representative Office of National Advisors Trust Company is an affiliate of National Advisors Trust Company, ("NATC") a national trust company. NATC was created to support the fiduciary needs of clients who, through their estate planning efforts, prefer to continue to maintain their relationship with their financial advisory firm. NATC is a wholly owned subsidiary of National Advisors Holdings, Inc. ("NAH"). MCF has entered into an agreement with NATC to establish a private label trust solution offered through NATC. The mission of NATC is to support the delivery of trust and custody services to the clients of its shareholders. To support this endeavor, MCF created MCF Private Trust, a Trust Representative Office of NATC. MCF may recommend MCF Private Trust to its advisory clients seeking trust services. The grantor in a trust agreement would name MCF as the investment manager with discretion to manage the trust estate, and the agreement would also provide that MCF Private Trust, TRO of NATC, discharge the administrative, distribution and custodial responsibilities of the trust.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

MCF has adopted a Code of Ethics that will apply to all of the Firm's supervised persons and sets forth the standard of conduct by which each individual should carry out his/her respective obligations. Specifically, this document presents the Firm's fundamental standard of conduct and shall address issues pertaining to:

- Privacy of Client Non-Public Personal Information
- Insider Trading;
- Personal Securities Transactions;
- Receipt of Gifts;
- Political Contributions;
- Outside Business Activities.

All supervised persons at MCF must acknowledge the terms of the Code of Ethics annually, or as amended.

Subject to satisfying this policy and applicable laws, officers, directors and employees of MCF and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for MCF's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of MCF will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of MCF's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between MCF and its clients.

Private Funds: Eligible MCF employees are permitted to invest alongside clients in private investment fund offerings. This presents a **conflict of interest**. In the event an MCF employee exercises their right to liquidate/withdraw funds from a private investment fund where the MCF employee is invested side-by-side with clients, MCF will generally notify clients who are invested alongside the MCF employee of the MCF employee's intent to liquidate/withdraw so the client can make a determination as to whether or not they would also like to liquidate/withdraw funds.

MCF's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting its Chief Compliance Officer, Timothy A. Gavin.

Item 12 – Brokerage Practices

The custodian and brokers we use

MCF does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15-Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We generally recommend that investment advisory accounts be maintained at Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We also maintain a relationship with Fidelity Brokerage Services, LLC ("Fidelity"), a registered broker-dealer, member SIPC, as an alternate qualified custodian

which we may recommend from time to time. We are independently owned and operated and are not affiliated with Schwab or Fidelity. The custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we request that you use Schwab or Fidelity as custodian/broker, you will decide whether to do so and will open your account with the custodian by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab or Fidelity, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

How we select brokers/custodians

We seek to use a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Historical relationship with us and our clients
- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab and Fidelity")

Your brokerage and custody costs

For our clients' accounts that Schwab and Fidelity maintain, Schwab and Fidelity generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your account. Certain trades (for example, many mutual funds and ETFs) may not incur commissions or transaction fees. Schwab and Fidelity are also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program or in Fidelity's Cash Management Program. For some accounts, (generally separately managed accounts), Schwab or Fidelity may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. (Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$500 million of their assets in accounts at Schwab.) This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab and Fidelity charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have your custodian execute most trades for your account. We have determined that having your custodian execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services, and they are not contingent upon us committing any specific amount of business to Schwab, in trading commissions or assets in custody. With respect to the Program, as described above under Item 4 Advisory Business, we do not pay Schwab fees for the Platform so long as we maintain \$100 Million in client assets in accounts at Schwab that are not enrolled in the Program. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the

scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

Products and services available to us from Fidelity

Fidelity Institutional Wealth Services™ is Fidelity's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Fidelity retail customers. Fidelity also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Fidelity's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Fidelity's support services:

Services that benefit you. Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Fidelity's services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you. Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Fidelity's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Fidelity also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Fidelity may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our interest in Fidelity's services

The availability of these services from Fidelity benefits us because we do not have to produce or purchase them. We don't have to pay for Fidelity's services. This is a potential conflict of interest. We believe, however, that our selection of Fidelity as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Fidelity's services (see "How we select brokers/ custodians") and not

Fidelity's services that benefit only us.

MCF's Chief Compliance Officer, Timothy Gavin, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.

Directed Brokerage. MCF recommends that its clients utilize the brokerage and custodial services provided by *Schwab* or *Fidelity*. MCF does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and MCF will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by MCF. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs MCF to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through MCF. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

In certain instances and subject to approval by MCF, MCF will recommend to clients certain other broker-dealers and/or custodians, including National Advisors Trust Company ("NATC"), based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. These differences are disclosed to advisory clients.

Order Aggregation: Transactions for each client account generally will be effected independently, unless MCF decides to purchase or sell the same securities for several clients at approximately the same time. MCF may (but is not obligated to) combine or "bunch" such orders to obtain better price execution, to negotiate more favorable commission rates, or to allocate equitably among MCF's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. MCF shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 – Review of Accounts

MCF reviews client portfolio accounts on a daily basis through the use of portfolio accounting software to monitor allocations. MCF provides to clients quarterly account statements electronically via a web portal or in person meeting. MCF also provides ongoing access to our website where clients can view their portfolio on a daily basis. The website is typically updated on a daily basis the morning following the previous day's close.

Item 14 – Client Referrals and Other Compensation

If a client is introduced to MCF by either an unaffiliated or an affiliated solicitor, MCF may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and

any corresponding state securities law requirements. Any such referral fee shall be paid solely from MCF's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to MCF by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of MCF's written disclosure statement disclosing the terms of the solicitation arrangement between MCF and the solicitor, including the compensation to be received by the solicitor from MCF.

We receive an economic benefit from Schwab/Fidelity in the form of the support products and services it makes available to us. You do not pay more for assets maintained at Schwab/Fidelity as a result of these arrangements. However, we benefit from the arrangements because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab/Fidelity, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab/Fidelity's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

MCF receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through MCF's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with MCF. Schwab does not supervise MCF and has no responsibility for MCF's management of clients' portfolios or MCF's other advice or services. MCF pays Schwab fees to receive client referrals through the Service. MCF's participation in the Service raises the conflicts of interest described below.

MCF pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by MCF is a percentage of the fees the client owes to MCF or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. MCF pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to MCF quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by MCF and not by the client. MCF has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs MCF charges clients with similar portfolios who were not referred through the Service.

MCF generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, MCF will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of MCF's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, MCF will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit MCF's fees directly from the accounts.

For accounts of MCF's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from MCF's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, MCF may have an incentive to cause trades to be executed

through Schwab rather than another broker-dealer. MCF nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for MCF's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

MCF's Chief Compliance Officer, Timothy Gavin, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab or Fidelity to deduct our advisory fees directly from your account (or if you grant us authority to move your money to another person's/entity's account). Your custodian maintains actual custody of your assets. You will receive account statements directly from your custodian at least quarterly. They will be sent to the email or postal mailing address you provided to your custodian. You should carefully review those statements promptly when you receive them. (We also urge you to compare your custodial account statements with the periodic portfolio reports you will receive from us).

MCF engages in other practices and/or services on behalf of its clients that requires disclosure at the Custody section of Form ADV Part 1, which practices and/or services are subject to an annual surprise CPA examination and/or a scheduled annual audit in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. Specifically, some clients provide MCF with the ability to access their Directed Brokerage accounts (as discussed in Item 12- Brokerage Practices) through the use of client account passwords for the purpose of reviewing and selecting securities and to place trades based on the client's investment objective.

On February 21, 2017, the SEC Division of Investment Management issued a no-action letter in response to a letter from the Investment Adviser Association ("IAA"), which outlined a seven condition test, which when met, eliminated the requirement to include accounts with standing letter of authorizations ("SLOA") in the set of accounts subject to the annual surprise CPA examination. Annually, MCF reviews all SLOAs to determine if the accounts continue to meet the seven conditions. Accounts which do not meet the seven conditions are included in the set of accounts for the annual surprise CPA examination.

Item 16 – Investment Discretion

MCF 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 objective(s) for the particular client account.

When selecting securities and determining amounts, MCF observes the investment objectives, policies, limitations and/or restrictions of the clients for which it advises. For registered investment companies, MCF'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 MCF in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, MCF does not have any authority to and does not vote proxies on behalf

of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. MCF may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

MCF does not solicit fees of more than \$1,200 per client, six months or more in advance. As an Advisory firm that maintains discretionary authority for client accounts, MCF is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. At this time, MCF does not reasonably believe it is unable to meet any of its contractual commitments.

Despite this, MCF is uncertain of the negative financial impact of COVID-19. In light of this economic uncertainty, MCF's desire to maintain a fiduciary level of service for all its clients (particularly in a time of crisis), and intends to retain all existing staff, the firm applied for and received a loan in April 2020 under the Payroll Protection Program of the CARES Act to support its ongoing operations. The Firm intends to use this loan to pay qualifying expenses over an eight-week period including: payroll costs for its employees, rent, and utilities. MCF has not been the subject of a bankruptcy proceeding.

ANY QUESTIONS: MCF's Chief Compliance Officer, Timothy Gavin, remains available to address any questions regarding this Part 2A.