



M Financial Group™

M WEALTH

Form ADV Part 2A: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of M Financial Asset Management, Inc. (“we”, “us” or “M Wealth”). If you have any questions about the contents of this brochure, please contact us at 503.414.7513 or MHSCompliance@mfin.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about M Wealth also is available on the SEC’s website at www.adviserinfo.sec.gov. You obtain information by entering our unique identifying number, known as a CRD number. M Wealth’s CRD number is 136694.

Item 2 — Material Changes

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

M Wealth updated this document on March 31, 2021 as part of the required annual update (“Annual Update”). Since the last Annual Update on March 27, 2020, M Wealth updated the brochure to include further description and details of our services to include additional specifics regarding service providers we utilize in conjunction with providing our advisory services. We additionally added information pertaining to the risk of alternative investment products. We currently do not use such products; however, we are not limited or restricted from selecting such investment vehicles. We do not believe this information is material to existing clients.

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Item 4 — Advisory Business

M Wealth is an SEC Registered Investment Adviser (“RIA”) with its principal place of business located in Portland, Oregon.¹ M Wealth began conducting business as an investment advisor in 2006. We are a wholly owned subsidiary of M Financial Holdings Incorporated, doing business as M Financial Group (“M Financial Group”). We provide investment advisory services through a nationwide network of Investment Advisory Representatives (“Financial Professionals”) operating within independently operated businesses (“Member Firms”) associated with, and typically stockholders of, M Financial Group.

M Wealth offers advisory services to clients (“you”, “your” or “client”) via three distinct methods:

M Wealth as a Sub-advisor

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

Prior to participating in our service, you will consult with your Financial Professional, who will assist you in documenting your financial goals and objectives, and determining your risk tolerance and time horizon. Your Financial Professional will then recommend the M Wealth service that is best suited to your needs based on those characteristics. M Wealth will select the specific securities or other investments to be purchased and sold in the Portfolio based upon these objectives and financial goals (*e.g.*, maximum capital appreciation, growth, income, security of principal, etc.).

M Wealth is a sub-advisor within certain retirement plans where M Wealth manages model portfolios as an investment manager, but is not the Advisor to the plan and does not interact with plan participants.

M Wealth as a Direct Portfolio Manager

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

M Wealth as a Wrap Fee Program Sponsor

M Wealth sponsors and acts as portfolio manager for the Managed Portfolio Program (the “*MPP Program*”). In the MPP Program, clients can choose from one of eighteen risk-based model portfolios that are developed and managed on an ongoing basis by M Wealth. We receive a portion

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

of the wrap fee for our services. In this service, client assets are managed according to set model portfolio allocations. For more information regarding model portfolios, see Model Management Services below. M Wealth has contracted with Envestnet Portfolio Solitons, Inc. (“Envestnet” or “Platform Provider”), an RIA and provider of wealth management software and services, to provide the operational and system support. Please refer to our Wrap Fee Program Brochure for more information.

M Wealth offers the following types of advisory services:

Investment Management Services

M Wealth provides ongoing investment monitoring and management services with respect to clients’ accounts (“***Investment Management Services***”). M Wealth will allocate your assets among various investments and/or investment managers, taking into consideration the overall management style and financial goals chosen by you, in relation to your time horizon, risk tolerance, liquidity requirements, and other investment constraints. M Wealth determines customized Portfolio weightings in specific securities and market sectors based on individual needs and circumstances of each client. M Wealth will analyze and consider the placement of investments into taxable or tax-deferred accounts in an effort to seek to maximize after-tax returns. When providing Investment Management Services, M Wealth may also take into consideration other holdings you have disclosed to us that are held outside of the Portfolio being managed by M Wealth. We provide you with quarterly in-depth reporting on your Portfolio and make available an online portal, where you can view the performance of your Portfolio at any time. You will have the opportunity to place restrictions on the types of investments made however; restrictions must be provided in writing, and agreed upon in advance by M Wealth. We will inform you if we are unable to accommodate any requested restrictions.

Model Management Services

In this role, M Wealth sponsors and acts as portfolio manager for multiple model portfolios (“***Model Management***”). M Wealth selects specific securities using eighteen risk-based model portfolios it has developed and manages on an ongoing basis. Clients choose between model portfolios that have different risk-based, tax-focused, or specified emphasis. Six model portfolios are managed for use in taxable accounts, six models are managed for use in tax-deferred accounts, four model portfolios are offered that seek to emphasize market returns with lower volatility, and two model portfolios are provided emphasize environmental, social and governance (“ESG”) focused holdings. All model portfolios are available through the MPP Program, while six model portfolios (lower volatility and ESG) are also available outside of the MPP Program. M Wealth will monitor and change securities within the model portfolios on a discretionary basis. When a model portfolio allocation changes, all client Portfolios will be adjusted to reflect the allocation change.

Performance reports for Model Management are produced by Envestnet and performance figures and percentages are calculated using a time-weighted return method, a measure of portfolio performance over a given time period calculated without regard to the effect of cash flows into or out of the Portfolio. Generally, you may not impose restrictions on the types of investments made on your behalf under our Model Management services.

As previously stated, M Wealth provides model portfolios within certain retirement plans. Models offered to retirement plan participant may differ or be similar to the model portfolios for retail clients. For example, retirement plan participants may be given the option of target date model portfolios in addition to risk based model portfolios. The services of Envestnet are not engaged for Model Management pertaining to retirement plans, as M Wealth manages and maintains the model portfolios and provides performance data directly to the retirement plan's administrator.

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

Assets Under Management

As of December 31, 2020, M Wealth manages \$991,161,753 of client assets on a discretionary basis and no assets on a non-discretionary basis.

Item 5 — Fees and Compensation

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

Investment Management Services:

For Investment Management Services clients, the Advisory Fee will be assessed and based on the market value of the Portfolio after the end of each calendar quarter, and adjusted for large inflows or outflows of assets during the quarter.² In very rare cases, upon your request and with our approval, we may send you an invoice for the Advisory Fee for Investment Management Services as opposed to a

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

direct debit from the Portfolio. The Advisory Fee is negotiable with your Financial Professional and should be discussed prior to entering into an Agreement. The Advisory Fee listed in the table below represents the maximum charges; yours may be lower and will be detailed in your Agreement.

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

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

Model Management Services (Not Included in the MPP Program):

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

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

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

Model Management Services in Retirement Plans

M Wealth receives income for its discretionary management of managed model portfolios within retirement plans as an “investment manager” for the plan, within the meaning of Section 3(38) of the Employee Retirement Income Securities Act of 1974 as amended (“ERISA”), and as a “fiduciary” of the plan with the meaning of ERISA Section 3(21). In providing this service, M Wealth establishes and maintain a range of strategic asset allocation model portfolios that are offered independently to the plan’s participants as an investment alternative. Each model portfolio is invested in a diversified mix of investments with may include mutual fund, ETFs, and short-term investment vehicles as determined by M Wealth in its discretion as the investment manager. M Wealth establishes the initial allocation strategy; reallocation of asset classes, and re-balance of each portfolio in its sole discretion. M Wealth offers this service in conjunction with Financial Professionals of Advisors who are also fiduciaries to the Retirement Plan.

Assets Under Advisement	Advisory Fee
On first \$5,000,000	0.20%
On next \$5,000,000	0.15%
On next \$10,000,000	0.10%

MPP Wrap Fee Program:

MPP Wrap Program clients may select either Pershing, LLC (“Pershing”) or Charles Schwab, Inc. (“Schwab”) as custodian. MPP Wrap Program fees vary depending upon the custodian, but will not exceed 1.36% for accounts with at least \$500,000 in assets. The minimum required account size is \$10,000 or \$25,000 depending upon the model selected. Under the MPP Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee. Participation in the MPP Program may cost the client more or less than purchasing such services separately, if available, depending on, among other things, the size of the account, and changes in its value over time, the number of transactions and the ability to negotiate fees, commissions and investment advice separately.

For further information regarding the MPP Wrap Program, see M Wealth’s Form 2A Appendix 1 wrap brochure, available at www.adviserinfo.sec.gov.

Fee Components

M Wealth Services

M Wealth is paid for its services as a subadvisor and as sponsor and portfolio manager of the MPP Program, M Wealth receives compensation for our services as follows:

Model Management Services		Investment Management Services		Retirement Plan Model Management Services	
First \$500,000	0.15%	First \$1million	0.30%	First \$5 million	0.20%
next \$500,000	0.15%	Next \$2 million	0.25%	Next \$5 million	0.15%
next \$2 million	0.13%	Nest \$2 million	0.20%	Over \$10 million	0.10%
over \$3 million	0.10%	Next \$5 million	0.10%		
		Over \$10 million	.050%		

The compensation payable to M Wealth is included in the total Advisory Fee for Investment Management Services, Model Management Services and the MPP Program Fee. M Wealth has a conflict of interest in providing services as it receives compensation as a result of your participation. We address this conflict by ensuring that when we recommend the services, that they are in your best interest, through the enforcement of our Code of Ethics, described further within this brochure, and through this disclosure.

Platform Provider Services

Envestnet provides certain services to M Wealth in connection with Model Management and the MPP Program, however not for Investment Management Services. Envestnet is an RIA that provides an extensive range of investment advisory and other services to RIAs such as M Wealth. M Wealth and Envestnet are not affiliated. M Wealth monitors Envestnet’s provision of services to ensure that the

services contracted for are being provided. M Wealth may, in its sole discretion, change the platform service provider.

Envestnet operates the technology platform on which our Model Management and MPP Program functions and administrative services to M Wealth including, but not limited to:

- providing the technology platform;
- maintaining records of activity client accounts;
- maintaining an electronic interface of client account data with the Custodian;
- calculating the Advisory Fee and Program Fee and instructing the Custodian to debit the accounts accordingly;
- providing the Financial Professional and M Wealth with quarterly performance reporting ;

In conjunction with their services, Envestnet is also authorized by M Wealth to place trades at the direction of M Wealth. Envestnet will determine on a discretionary basis the time and amount of the trade to be executed on behalf of the client in accordance with instructions received from M Wealth. The Platform Provider has discretion to aggregate purchases and sales of securities for accounts with purchases and sales of securities of the same issuer for other clients of M Wealth or Advisor occurring on the same day. When transactions are aggregated, the actual prices applicable to the aggregated transactions will be averaged between all participating clients of M Wealth or Advisor and they will be deemed to have purchased or sold their proportionate shares of the securities involved at the average price so obtained.

Envestnet's portion of the total Advisory Fee for Model Management Services and the MPP Program Fee is as follows:

Assets under management	Traditional Models	Low Volatility and ESG Models
First \$500,000	0.11%	.07%
next \$500,000	0.10%	.07%
next \$2,000,000	0.09%	.07%
over \$3,000,000	0.075%	.07%

Financial Professional Fee

In nearly all cases, your Financial Professional recommending M Wealth services receives compensation as a result of your participation in our Services. The amount of their compensation may be more or less than what such Financial Professional would receive if you were to participate in other advisory services and programs or paid separately for investment advice, brokerage, and other services. If their compensation is greater than other options you might have chosen, the Financial Professional has a financial incentive to recommend M Wealth over other programs or services. Also, your Financial Professional may be a shareholder of M Financial Group and therefore would have an additional incentive to recommend M Wealth over other similar programs. For more information regarding these affiliations, see Item 10 (Other Financial Industry Activities and Affiliations). M Wealth addresses this conflict by limiting the Financial Professionals amount of compensation to 1% of total assets under management and by through this disclosure.

Additional Fees

Custodian and Brokerage Fees and Expenses

Your Advisory Fee does not include any fees and expenses charged by custodians and/or broker dealers. These additional fees will include, but are not limited to, transaction charges and fees for trading securities. Other fees charged by custodians may include account maintenance fees; account transfer and closing fees; inactivity fees; wire fees; and other charges from or by your custodian. For more information about such fees, you should consult your Financial Professional or request such information directly from your custodian.

You will select a custodian to maintain custody of Portfolio assets between Schwab and Pershing. The custodian will execute transactions and perform the clearance for such transactions. The custodian will perform custodial functions, among other things, including: (i) crediting of interest and dividends on account assets; (ii) crediting of principal on called or matured securities in the account; (iii) debiting the Advisory Fee or the MPP Program Fee from the accounts; (iv) processing, pursuant to M Wealth's or Advisor's instructions, of deposits to and withdrawals from accounts; and (v) other custodial functions customarily performed with respect to securities brokerage accounts. You will authorize the custodian to execute orders from M Wealth or Platform Provider on a discretionary basis.

The custodian will forward confirmation of each purchase and sale to you and the Advisor in accordance with applicable law. For each month in which activity occurs in your account(s) (but no less frequently than quarterly), statements will be forwarded by the custodian. Please refer to the "Brokerage Practices" section (Item 12) of this brochure for additional information.

Separate Account Investment Manager Fees

If appropriate for your Portfolio, third party investment managers may be chosen to manage a portion of your Portfolio. The fees for third party investment managers will be in addition to the Advisory Fee you pay to M Wealth. If third party investment managers are chosen for your Portfolio, their fees will be disclosed to you by providing you with the investment manager's Form ADV Part 2A.

Mutual Fund/ETF Fees

All Advisory Fees for advisory services paid to M Wealth are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. All mutual funds incur certain expenses that are borne by their shareholders and these fees and expenses are described in each fund's prospectus. If a client transfers previously purchased mutual funds to an M Wealth Portfolio and there is an applicable contingent deferred sales charge or redemption fee on those shares, the client will pay that charge when the mutual fund is sold. Once transferred, in no case will the Financial Professional receive any prospective compensation from these products.

You could invest in a security directly without our services. In that case, you would not receive our full advisory services, which are designed, among other things, to assist you in determining which mutual funds, ETFs or other securities are appropriate given your financial goals and investment objectives, combined with ongoing Portfolio monitoring. Accordingly, you should review both the fees charged by

the funds and fees charged by M Wealth to fully understand the total amount of fees and to thereby evaluate the services being provided.

Changes in Fee Structure

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

Services Available from Other Advisers

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

Termination of Services

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

Item 6 — Performance-Based Fees

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

Item 7 — Types of Clients

M Wealth provides advisory services to a wide variety of clients including but not limited to: individuals, charitable organizations, corporations, retirement plans (including 401(k) plan fiduciaries and pension plans) and trusts. Prior to engaging M Wealth services, you will sign an Agreement that will detail M Wealth services and fees.

The minimum amount to establish and maintain Investment Management Services is generally \$1,000,000, and this amount can be reached by aggregating all accounts owned by a single household (for example, two spouses with minor children). 401(k) plan clients may have lower account minimums. The minimum amount to establish and maintain Model Management Services will range between \$10,000 for ESG and Low Volatility portfolios and \$25,000 for MPP Program traditional model portfolios. Model Management Services and MPP Program minimums are based on each account value, and cannot be aggregated in order to meet the minimum. For further information regarding the MPP Wrap Program, see M Wealth's Form 2A Appendix 1 wrap brochure, available at www.adviserinfo.sec.gov.

M Wealth may not agree to manage a Portfolio if the assets invested are insufficient to implement the desired services.

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

Methods of Analysis and Investment Strategies

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

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

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

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

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

Mutual Fund and/or ETF Analysis

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

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful in the past may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk if a security were to fall in value. There is also a risk that a manager may deviate from the

stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's Portfolio.

Investment Managers Analysis

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

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

Risk of Loss — General

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

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

Potential Risks of Investing Using Mutual Funds and ETFs

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

Other Risks

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

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

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

- *Fixed Income Risk:* Strategies that invest in fixed income securities are subject to the risk that clients may lose all or some of their principal investment if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations. Additionally, clients are subject to the risk if they seek to sell the security prior to maturity that the market value will decline because of an increase in interest rates; a mutual fund holding bonds with longer than average maturity dates will be more sensitive to changes in interest rates than a fund with holding bonds with shorter maturity dates.
- *Liquidity Risk:* Strategies that involve investing in securities with limited trading volumes or no ability to trade may prevent the client from being able to liquidate the security if they have a change in circumstances, goals, or upon the advice of their Financial Professional. We encourage clients to discuss liquidity needs with their Financial Professional before investing in securities with limited liquidity.
- *Cybersecurity Risk:* Intentional cybersecurity breaches include: unauthorized access to systems, networks or devices (such as through “hacking” activity), infection from computer viruses or other malicious software code and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Unintentional incidents such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws) can occur. Cyber incidents can cause disruptions and impact business, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties or reputational damage. Such incidents could cause M Wealth or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or significant financial loss. In addition, such incidents could affect the securities in which M Wealth invests on your behalf, and thereby cause your Portfolio to lose value.
- *Alternative / Complex Product Risk:* Alternative Investments are Complex Products. A Complex Product is one with multiple, novel, complicated, intricate, derivative or similar features that affect its investment return under different market and economic scenarios. Alternative Investment are not suitable for all investors as they are subject to various risks such as limitation on liquidity, pricing mechanism and specific risk factors associated with the particular product. A prospectus or offering document that discloses all risks, fees and expenses and risk factors associated with a particular Alternative Investment will be provided by your Financial Professional when recommending the use of an Alternative Investment. Read the applicable prospectus or offering documents carefully before investing. Clients considering an investment strategy utilizing alternative investment should understand that they are generally considered speculative in nature and involve a high degree of risk, particularly if concentrating investment in one or few Alternative Investments or within a particular industry. The risks associated with Alternative Investments are potentially greater and substantially different than those associated with traditional equity or fixed income investments. Alternative Investments are unsuitable for many investors. If you do not completely understand the product, you should not purchase it.

Item 9 — Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither M Wealth, nor our management personnel have any reportable disciplinary events to disclose.

Item 10 — Other Financial Industry Activities and Affiliations

Member Firms of M Financial Group and many of their affiliated producers are stockholders of M Financial Group, and as stockholders, they share in profits of M Financial Group. Financial Professionals of Member Firms recommend M Wealth as a sub-advisor when appropriate for their clients. An incentive, and therefore a potential conflict of interest, exists when Financial Professionals offer M Wealth services as opposed to other RIA service providers.

M Wealth's affiliated RIAs are M Holdings Securities, Inc. ("M Securities") and M Financial Investment Advisers, Inc., which is the advisor to M Funds, Inc. Our affiliated broker-dealers are M Holdings Securities, Inc. and M Financial Securities Marketing, Inc. Certain personnel of M Wealth are separately licensed with M Securities. Our affiliated insurance agencies are Management Compensation Group, Northwest, LLC, doing business as M Benefit Solutions. Our affiliated insurance companies are M Insurance Solutions, Inc. and M Life Insurance Company. All entities, along with M Wealth, are subsidiaries of M Financial Group. All clients of Member Firms should be aware that economic incentives exist which could influence recommendations for particular financial products or services. Any fees or commissions created by those recommendations would be in addition to Advisory Fees collected. We address these conflicts of interest by striving to only recommend products and services that are in the best interest of our clients when acting on behalf of a broker-dealer, by disclosing to our clients all material conflicts that exist, and through the enforcement of our Code of Ethics.

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

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

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

Our Code includes policies and procedures for the regular review of securities transactions reports as well as initial and annual securities holdings reports that must be submitted by M Wealth's access persons. Our Code provides for oversight, enforcement and recordkeeping provisions. The Code further includes a policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all access persons are reminded that such information may not be used in a personal or professional capacity.

Our Code is designed to assure that the personal securities transactions, activities and interests of our access persons will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing access persons to invest for their own accounts.

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

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

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

Item 12 — Brokerage Practices

Selection of Brokers

Your Financial Professional will assist you with opening account(s) at an appropriate custodian. You will provide M Wealth, through your signed Agreement, with authorization allowing for discretionary authority to direct trades and withdraw Advisory Fees on your behalf.

Clients generally are directed to select between Schwab, or Pershing or Pershing Advisory Services (together "Pershing") as the custodian for their accounts.

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

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

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

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

Soft Dollar Benefits

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

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

Our clients do not directly pay for the soft dollar benefits and we use them with all client accounts when and as appropriate. M Wealth's receipt of the foregoing products and services causes M Wealth to be deemed to be receiving "soft dollars;" however, we have not entered into any formal soft dollar arrangements with any broker-dealer and the products and services received from Pershing and Schwab are limited in scope.

Trade Corrections

On occasion, trading errors may occur in a Portfolio. When this happens, we will work to process the correction so that the client is not affected by the error and have the results of the transaction originally intended. Generally, this involves moving the erroneous transaction out of client's Portfolio and into an error correcting account registered to M Wealth or the qualified custodian. For accounts held with Pershing, M Securities will absorb any gain that may result from this corrective action. M Wealth will cover for any loss as result of our error. For accounts held with Schwab, Schwab will absorb the gain that may result from the corrective action and charge M Wealth for losses over \$100.

Client Referrals

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

Aggregation of Trades

When offering Investment Management Services, M Wealth does not aggregate trades because (i) trading for each client's Portfolio is customized; and (ii) trades are approved by the client's Financial Professional, who may also instruct the timing of a trade for the client.

For Model Management Services, the Platform Provider will aggregate trades when there is a large enough order to justify waiting to execute the trade. The Platform Provider has discretion to aggregate

purchases and sales of securities for participating Portfolios with purchases and sales of securities of the same issuer for other clients of M Wealth occurring on the same day. When transactions are aggregated, the actual prices applicable to the aggregated transaction will be averaged, and the Portfolio and the accounts of other participating clients of M Wealth will be deemed to have purchased or sold their proportionate shares of the securities involved at the average price so obtained.

Item 13 — Review of Accounts

Portfolios are reviewed quarterly, at a minimum, by a vice president of M Wealth with support from our staff, and are analyzed for any necessary trading at least twice a year. Should M Wealth receive notification that your financial situation, risk tolerance or objectives have changed, we will review your Portfolio to determine if changes are necessary. General reviews of Portfolios involve evaluation of asset allocation, weightings of investments, security selection and the quality and performance of individual investments held in the Portfolio. Should you require a withdrawal from your Portfolio, or should you make an additional large deposit, we will review your Portfolio to determine how to best execute transactions to maintain your stated allocation. We may take into consideration capital gains and losses; however, trading may result in a taxable event for which you will be responsible. We may also take into consideration assets, which you disclose to us, that are held outside of the Portfolios under our services. We are not under any obligation to validate holdings you disclose to us.

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

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

Item 14 — Client Referrals and Other Compensation

M Wealth may receive client referrals from independent third parties to whom we introduce clients and pay referral fees to independent third parties ("Solicitors") for introducing clients to us. The Solicitor will assist the client with completing documentation to assist us in determining appropriate investment advisory services. Factors considered in making this determination include account size, risk tolerance and investment experience.

Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document and a separate disclosure statement that includes information required by the Investment Advisers Act of 1940. Clients who are referred to us by Solicitors do not pay additional

Advisory Fees because of any referral. The Solicitor does not provide advice on securities to you when participating in this arrangement.

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

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

Item 15 — Custody

M Wealth is deemed to have custody of client funds because certain clients have provided us with limited written authorization to disburse funds from their accounts to a third party. This authority may be one time or ongoing through an executed standing letter of authorization with the custodian. Additionally, as M Wealth has the ability to directly debit Advisory Fees from Portfolios, we are deemed to have limited custody of client funds. Please note that M Wealth does not have the ability to withdraw funds from your account for any reason other than the collection of the Advisory Fee unless you provide written limited authorization for us to do so.

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

Item 16 — Investment Discretion

Clients generally hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to determine which security to buy or sell, and the amount of the security to buy or sell.

You give us discretionary authority when you sign our client agreement that provides M Wealth with specific authorization to trade accounts on your behalf without obtaining approval for each transaction. Additionally, you will complete custodial paperwork that provides us with specific authorization to direct trades in your account. You may limit or change this authority by providing us with written instruction. Typical limits include protection of legacy holdings or maintenance of a cash level that varies from our normal target amounts.

Item 17 — Voting Client Securities

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

Item 18 — Financial Information

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

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