

# Form ADV

## Part 2A

March 22, 2022

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This brochure ("Brochure") provides information about the qualifications and business practices of Meld Financial, INC. ("MFI"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at (205) 967-4200 or mark@meldfinancial.com. Additional information about MFI or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. MFI's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to MFI.

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## **II. Material Changes**

Filing date of last annual ADV update: March 30, 2021

Since the filing of our most recent annual ADV there have been no material changes.

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## Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to FIRM\_ABRV. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

**Advisory Affiliate:** Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

**Control:** Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

**Management Persons:** Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

**Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

**Related Person:** Any advisory affiliate and any person that is under common control with your firm.

**Self-Regulatory Organization or SRO:** Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations.

**Supervised Person:** Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

## IV. Advisory Business

### Firm Profile

Meld Financial, Inc. ("MFI") provides comprehensive financial planning as a base service. MFI also provides single issue analysis and advisory services involving (but not limited to) estate planning, college funding, retirement funding, retirement plan distribution, executive employee compensation analysis, general corporate benefits consulting, insurance products, qualified and non-qualified retirement plans, and investments.

As part of its investment advisory services, MFI may manage certain account programs offered by third-party advisers.

Additionally, MFI will occasionally offer advisory services on matters not involving securities.

### Years in Business

Date of formation: 04/17/1986.

Date of initial investment adviser registration: 04/07/2004.

### Direct Principal Owners

The following parties maintain at least 25% direct ownership in MFI.

- Mark Alan McGarvey

### IV.(B). MFI's Advisory Services

In this section, we will describe the services we offer as well as the fees that correspond to those services. As far as investment products on which we may provide advice, those product types are identified in the grid below.

### Product Type Limitations

We generally provide investment advice in relation to the following specific types of securities/investments.

<input checked="" type="checkbox"/>	Exchange listed equities	<input checked="" type="checkbox"/>	Mutual funds (closed-end and open-end funds)
<input checked="" type="checkbox"/>	Over the counter equities	<input checked="" type="checkbox"/>	Exchange traded funds
<input checked="" type="checkbox"/>	Equities of foreign issuers	<input checked="" type="checkbox"/>	U.S. government securities
<input checked="" type="checkbox"/>	Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving any of the following: <ul style="list-style-type: none"><li>• Real estate</li><li>• Oil and gas</li><li>• Mortgages or other receivables/assets</li><li>• Other:</li></ul>	<input checked="" type="checkbox"/>	Options on securities
<input checked="" type="checkbox"/>	Warrants	<input type="checkbox"/>	Options on commodities
<input checked="" type="checkbox"/>	Corporate debt securities (other than commercial paper)	<input type="checkbox"/>	Options on futures
<input checked="" type="checkbox"/>	Commercial paper	<input type="checkbox"/>	Futures contracts (tangibles)

<input checked="" type="checkbox"/>	Certificates of deposit	<input type="checkbox"/>	Futures contracts (intangibles)
<input checked="" type="checkbox"/>	Municipal securities	<input checked="" type="checkbox"/>	Other: Precious Metals
<input checked="" type="checkbox"/>	Variable life insurance	<input type="checkbox"/>	Other:
<input checked="" type="checkbox"/>	Variable annuities		

## Specialized Services

As designated below, we specialize in the following services. As applicable, a description of each such service is also included below.

- ☐ 1. Financial planning.  
☐ 2. Quantitative analysis.  
☐ 3. Market timing services.  
☐ 4. Other:  
☒ 5. None. Although we may offer one or more of the services mentioned immediately above, we do not limit our services to specializing in any single service area. In the following grid(s), we will describe both the services we offer as well as other key issues related to those services.

## Our Services

Service:	<b><i>Ongoing Asset Management – No Wrap Programs</i></b>
Service description:	<p>Our ongoing asset management services can be described as follows:</p> <p><b><i>Discretionary Management:</i></b> On a discretionary basis, we may design, revise, and reallocate a custom portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.</p> <p><b><i>Non-Discretionary Management:</i></b> On a non-discretionary basis, we may provide periodic recommendations to you and if such recommendations are approved/authorized, we will ensure that the authorized recommendations are carried out for you.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input type="checkbox"/> None         </p> <p>Our specific discretionary authority will be set forth in your service agreement (“Agreement”) with us.</p>
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Annual, asset-based fee</p>

	<table border="1"> <tr> <th colspan="2">Maximum Asset-Based Fee Schedule</th></tr> <tr> <th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr> <tr> <td>\$0 to \$250,000</td><td>1.75%</td></tr> <tr> <td>\$250,001 – \$500,000</td><td>1.75%</td></tr> <tr> <td>\$500,001 – \$1,000,000</td><td>1.75%</td></tr> <tr> <td>\$1,000,001 and up</td><td>1.25%</td></tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td> <input type="checkbox"/> None  <input checked="" type="checkbox"/> \$50,000 </td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td> <input type="checkbox"/> None  <input checked="" type="checkbox"/> \$50,000 </td></tr> <tr> <td>Minimum annual fee:</td><td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td></tr> </table> <p>All fees arrangements are negotiable at our sole discretion. Specific fee arrangements will be set forth in your investment management agreement (“Agreement”) with us.</p>	Maximum Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	\$0 to \$250,000	1.75%	\$250,001 – \$500,000	1.75%	\$500,001 – \$1,000,000	1.75%	\$1,000,001 and up	1.25%	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	<input type="checkbox"/> None <input checked="" type="checkbox"/> \$50,000	Minimum account/portfolio balance (ongoing):	<input type="checkbox"/> None <input checked="" type="checkbox"/> \$50,000	Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
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Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																				
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>																				
Fee collection:	<p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>																				
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input checked="" type="checkbox"/> in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>																				
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a prorata refund of any fees not yet</p>																				



	<p>earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
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Service:	<b><i>Recommendation of Other Investment Advisers</i></b>
Service description:	<p>Under this service, we may select other investment advisers (“Sub-Advisers”) on a sub-advisory basis to provide the specific investment management services related to your assets. Our services in relation to the Sub-Advisers we may recommend generally will include assisting you in choosing investment objectives and asset allocation, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering any of your questions. We will monitor such Sub-Advisers’ performance with respect their management of your assets. A description of the specific services and fees available from each Sub-Adviser can be found in such the specific Sub-Adviser’s current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix 1 of Part 2A).</p> <p>Alternatively, without specifically selecting other investment advisers to provide the specific investment management services related to your assets, we may simply recommend other investment advisers that would provide such services (not on a sub-advisory basis). Our services in relation to the other investment advisers we may recommend generally will include assisting you in choosing investment objectives and asset allocation, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering any of your questions. We will monitor such outside investment advisers’ performance with respect their management of your assets.</p> <p>A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser’s current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix 1 of Part 2A). We will NOT retain the authority to engage or terminate such other investment advisers. At all times, you will retain the authority to engage or terminate such other investment advisers that we may recommend.</p> <p>On occasion, we may recommend certain wrap programs to you. Our involvement with wrap programs is addressed below in the “Wrap Program” section.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Securities to be bought or sold</li> <li><input type="checkbox"/> Amount of the securities to be bought or sold</li> <li><input type="checkbox"/> Timing as to when such securities are to be bought or sold</li> <li><input type="checkbox"/> The engagement of other investment advisers to provide the direct management of your assets</li> <li><input type="checkbox"/> Broker-dealer and/or custodian to be used</li> <li><input type="checkbox"/> Commission rates to be paid for securities brokerage activities</li> </ul>

	<input type="checkbox"/> Other: <input checked="" type="checkbox"/> None																		
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p> <input checked="" type="checkbox"/> Annual, asset-based fee  <input type="checkbox"/> Annual, flat/fixed fee </p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Party/Fee Description</th><th>Range of Fees</th></tr> </thead> <tbody> <tr> <td>Our fee</td><td>0.0 % - 1.63</td></tr> <tr> <td>Other investment adviser's fee</td><td>0.10% - 1.50%</td></tr> <tr> <td>Brokerage/clearing/custody fee</td><td>0.09% - 0.12%</td></tr> <tr> <td>Total fee range</td><td>0.13% - 1.75%</td></tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td rowspan="3">Refer to the Sub-Advisers Part 2A and/or wrap brochure.</td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td></tr> <tr> <td>Minimum annual fee:</td></tr> </tbody> </table> <p>The fee schedule above is MFI's fee schedule. Sub-Advisers or other investment advisers recommended or selected by us generally charge their own advisory fees for managing client assets. Such fees are generally based on a percentage of the assets under management. Our fees are subject to negotiation; however, any other adviser's fees may not be negotiable. Our fees are separate and distinct from those other advisers' fees and our fees will not increase the overall fees charged by Sub-Advisers or other investment advisers who are actively managing your assets. Additional details related to fees charged by Sub-Advisers or other investment advisers will be explained in any such adviser's disclosure document(s). Your specific fee arrangements will be set forth in your investment management agreement ("Agreement") with us.</p>	Asset-Based Fee Schedule		Party/Fee Description	Range of Fees	Our fee	0.0 % - 1.63	Other investment adviser's fee	0.10% - 1.50%	Brokerage/clearing/custody fee	0.09% - 0.12%	Total fee range	0.13% - 1.75%	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	Refer to the Sub-Advisers Part 2A and/or wrap brochure.	Minimum account/portfolio balance (ongoing):	Minimum annual fee:
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Other fee/account maintenance conditions...																			
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Minimum account/portfolio balance (ongoing):																			
Minimum annual fee:																			
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>For more details, please refer to the Sub-Adviser's or other investment adviser's current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix 1 of Part 2A).</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>																		

Fee frequency/timing/ collection:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears. Additionally, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian;  <input type="checkbox"/> direct invoice to you; and/or  <input type="checkbox"/> via the other investment adviser(s) managing your assets.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p>

Service:	<b><i>Wrap Programs</i></b>
Service description:	<p>On occasion, we may recommend certain wrap programs to you. A "wrap fee program" is a program that offers participants a suite of services such as asset allocation; portfolio management; trade execution; and certain administrative activities, all for a single fee – typically an annual, asset-based fee. A wrap fee program is designed to assist clients in obtaining professional asset management, brokerage, custodial, and administrative services for a convenient, "wrapped" fee.</p> <p>There are several main roles that can be served in relation to a wrap program.</p> <p><b>Lead Sponsor</b> – The lead sponsor is the investment adviser firm that principally organizes the wrap program and determines which program managers will be made available in the wrap program; which broker-dealers and/or custodians will be used in the wrap program; as well as the overall fee structure for the wrap program. The lead sponsor would also generally coordinate the engagement of other investment advisers (referring parties, or solicitors) who may refer clients of their own to participate in the wrap program. The lead sponsor in some cases may and in some cases may not provide the hands on management of a wrap client's assets within the wrap program. In some cases, the lead sponsor may be responsible for selecting the specific program</p>

manager that will be responsible for providing the hands on management of a wrap client's assets within the wrap program.

**Program Manager** – The program manager(s) are generally investment adviser firms that are responsible for the hands on management of a wrap client's assets within the wrap program. The program managers generally are selected by the lead sponsor as investment advisers available within the wrap program.

In relation to wrap programs, we participate in the following manner.

☐ **Lead Sponsor**

- ☐ Coordinate and organize the wrap program.
- ☐ Determine the available program managers within the program.
- ☐ Determine the broker-dealer(s) that will be used in the wrap program.
- ☐ Determine the custodian(s) that will be used in the wrap program.
- ☐ Determine the overall fee structure for the wrap program.
- ☐ Coordinate the engagement of solicitors.
- ☐ Select (on a discretionary basis) the specific program manager(s) that will be responsible for providing the hands on management of a wrap client's assets within the wrap program. We will also retain the authority to fire program managers and hire new ones.
- ☐ Provide ongoing monitoring of the activities and performance of program managers selected to manage a wrap participant's program assets.

☐ **Lead Sponsor and Sole Program Manager**

- ☐ Coordinate and organize the wrap program.
- ☐ Determine the broker-dealer(s) that will be used in the wrap program.
- ☐ Determine the custodian(s) that will be used in the wrap program.
- ☐ Determine the overall fee structure for the wrap program.
- ☐ Coordinate the engagement of solicitors.
- ☐ Provide the hands on management (discretionary) of a wrap client's program assets. Our services in connection with our wrap fee program will not differ materially from our discretionary ongoing asset management services with the exception of the wrap fee component. We may design, revise, and reallocate a custom investment portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.
- ☐ Provide the hands on management (non-discretionary) of a wrap client's program assets. Our services in connection with our wrap fee program will not differ materially from our non-discretionary, ongoing asset management services with the exception of the wrap fee component. We may provide periodic investment recommendations to you and if such recommendations are approved/authorized, we will ensure that the authorized recommendations are carried out for you.

☒ **Program Manager**

- ☒ Provide the hands on management (discretionary) of a wrap client's program assets. Our services in this regard will not differ materially from our discretionary ongoing asset management services with the exception of the wrap fee component.
- ☒ Provide the hands on management (non-discretionary) of a wrap client's program assets. Our services in this regard will not differ materially from our non-discretionary, ongoing asset management services with the exception of the wrap fee component.

	<p>We will offer a wrap fee brochure or other appropriate disclosure document to any advisory clients who are recommended to participate in a wrap program;. The wrap fee brochure provides wrap program participants with important information about the wrap fee program itself. We will also provide a copy of current wrap brochure and/or other disclosure document for the specific investment manager(s) selected to manage a client's assets in a wrap program. A wrap program participant should consider all of the information within the wrap fee brochure and the selected investment manager's disclosure document(s) before participating in a wrap fee program. We receive a portion of the wrap fees paid by you.</p>										
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold;  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold;  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold;  <input type="checkbox"/> The engagement and termination of other investment advisers to provide the direct management of your assets  <input type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other  <input type="checkbox"/> None         </p> <p>Our specific discretionary authority will be set forth in your service agreement (“Agreement”) with us.</p>										
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <table border="1"> <thead> <tr> <th>Portfolio Value</th><th>Maximum Fee</th></tr> </thead> <tbody> <tr> <td>\$0 – \$ 250,000</td><td>1.75%</td></tr> <tr> <td>\$ 250,001 - \$ 750,000</td><td>1.75%</td></tr> <tr> <td>\$ 750,001 - \$ 1,000,000</td><td>1.75%</td></tr> <tr> <td>\$ 1,000,001 and up</td><td>1.25%</td></tr> </tbody> </table> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your investment management agreement (“Agreement”).</p> <p>Specific fee arrangements for any other wrap programs that we may recommend can be found in the wrap brochure for such program(s) and will also be set forth in the agreement you sign for the wrap program.</p>	Portfolio Value	Maximum Fee	\$0 – \$ 250,000	1.75%	\$ 250,001 - \$ 750,000	1.75%	\$ 750,001 - \$ 1,000,000	1.75%	\$ 1,000,001 and up	1.25%
Portfolio Value	Maximum Fee										
\$0 – \$ 250,000	1.75%										
\$ 250,001 - \$ 750,000	1.75%										
\$ 750,001 - \$ 1,000,000	1.75%										
\$ 1,000,001 and up	1.25%										
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>										
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or</p>										

	<input type="checkbox"/> direct invoice to you; and/or <input type="checkbox"/> via the other investment adviser(s) managing your assets.  <i>Billing Via Custodian.</i>  <p>Contemporaneously with the execution of the IMA, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Fee frequency/timing:	For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> advance, or <input type="checkbox"/> arrears.
Advanced billing and refunds:	As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of your investment management agreement as the termination process is described in your investment management agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in your investment management agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of your investment management agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.

Service:	<b><i>Financial Planning</i></b>
Service description:	<p>We may prepare a written financial plan for our clients. In order to determine a suitable course of action for an individual client, we will perform a review of the variables that are presented. This review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances.</p> <p>Unless engaged separately to do so, we will not be responsible for the implementation of the plan. You assume full responsibility for the implementation of the plan.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Securities to be bought or sold</li> <li><input type="checkbox"/> Amount of the securities to be bought or sold</li> <li><input type="checkbox"/> Timing as to when such securities are to be bought or sold</li> </ul>

	<input type="checkbox"/> Broker-dealer and/or custodian to be used <input type="checkbox"/> Commission rates to be paid for securities brokerage activities <input type="checkbox"/> Other: <input checked="" type="checkbox"/> None
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Non-annual, flat/fixed fee</p> <p>Our fixed/flat fees (one-time) for our Financial Planning services range from \$0 to \$10,000, billed directly to you, and either 100% in advance, 50% in advance and balance upon completion, or 0.0% in advance, total upon completion.</p> <p>Fees are negotiated for modular portions of financial plans, if that is what is requested. Generally, the client pays one-half of the negotiated fees up front with the balance due upon delivery of a final plan.</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service agreement ("Agreement") with us.</p>
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Direct billing.</i></p> <p>If so desired, you may choose to be billed directly by us for our service fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p>

	Specific fee arrangements will be set forth in your Agreement with us.
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input type="checkbox"/> quarterly, <input checked="" type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, <input checked="" type="checkbox"/> in arrears, or <input checked="" type="checkbox"/> a portion in advance and a portion in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. A client may terminate planning services at any time and shall receive a refund of any unearned financial planning fees based on time and effort previously expended by the staff of MFI. A full refund of fees is given if termination is requested within five business days of the Agreement date.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Service:	<b><i>Individual Consultations</i></b>
Service description:	<p>On more than an occasional basis, we may furnish advice on matters not involving securities. Such matters may involve issues related to retirement planning, estate planning, insurance products, mortgage financing, college funding, savings strategies, executive benefit, etc. As a particular segment of this service type, insurance products may also be reviewed, analyzed and recommended where needed.</p> <p>These services may include providing seminars, workshops or training to interested employees of companies that MFI is engaged to provide services for. MFI may charge a fee for these programs, or receive reimbursement of its costs or it may not charge any fee or receive consideration of any kind in exchange for these types of services.</p> <p>As part of these services, the client may or may not engage MFI to provide to him/her with any written documentation that supports recommendations or conclusions reached in advising the client. If the client wishes to engage MFI for some type of service not specifically mentioned or referred to in the services noted above, he/she must then provide MFI with guidance as to the scope of the engagement.</p> <p>If you wish to engage us for some type of service not specifically mentioned or referred to in the services noted above, you may provide us with guidance as to the scope of the engagement. Regardless of the services ultimately requested, the specific services and corresponding fees will be set forth in some form of written agreement.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input checked="" type="checkbox"/> None </p>



Service fees:	<p>Our fees related to the services described in this section are generally flat, annual fees that range from \$0 - \$5,000 per year. The designated fees shall be billed on a quarterly basis, in advance. As dictated in your investment management or other advisory agreement, fees may be deducted directly from one of your account(s) or MFI may invoice clients directly for the fees. All fees are negotiable at our sole discretion.</p> <p>MFI may also charge hourly fees for the services described in this section. Our hourly fee rate is generally \$150.</p> <p>Insurance products are generally purchased on a commission basis on behalf of clients. Commissions, fees, and expenses related to insurance products and/or services recommended by MFI are separate and distinct from MFI's advisory or financial planning fees.</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service agreement ("Agreement") with us.</p>
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Direct billing.</i></p> <p>If so desired, you may choose to be billed directly by us for our service fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> advance, or <input type="checkbox"/> arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Service:	<b><i>Employer-Sponsored Retirement Plan Management</i></b>
Service description:	<p>MFI provides employer-sponsored retirement plan management services. The services include a platform of no-load mutual funds selected and monitored by MFI for qualified corporate plans. An outside service provider not affiliated with MFI provides ongoing recordkeeping services for MFI’s Employer-Sponsored Retirement Plan Clients</p> <p>In this service offering MFI may take on the role an ERISA 3(21) co-fiduciary to the plan sponsor. It may engage in full-scope or limited scope as determined by the investment management agreement. As a 3(21) advisor, MFI will not exercise discretionary authority. Alternatively, MFI may act as an ERISA 3(38) investment manager as a full-fiduciary to the plan. MFI will have discretionary authority over the plan and all of its assets as detailed in the investment management agreement.</p> <p>We offer retirement plan consulting services to various types of employer-sponsored retirement plans, including, but not limited to, profit sharing plans, employee stock ownership plans, and 401(k) plans. Collectively, we consider these types of plans as a specific segment of our client base and in turn, we will refer to these types of plans as “Employer-Sponsored Plan Clients.”</p> <p>We gather and review extensive information regarding each Employer-Sponsored Plan Client on an individualized basis including each Employer-Sponsored Plan Client’s objectives and needs. Our employer-sponsored retirement plan management services include plan feasibility, plan design, plan review, document preparation, plan amendments and assistance with Department of Labor and/or IRS issues, among others.</p> <p>Other than those briefly described above, there are several distinct activities that may be available under our employer-sponsored retirement plan management services. These services may be provided separately or in combination with one another. Although not all-inclusive, the following information will describe some of the</p>

activities offered under our employer-sponsored retirement plan management services.

*Preparation of Investment Policy Statement (“IPS”):*

We may meet with a Employer-Sponsored Plan Client to determine the relevant plan’s investment needs and goals. If desired by the Employer-Sponsored Plan Client, we will prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of plan’s investment options/vehicles and the procedures and timing interval for monitoring of investment performance.

*Recommendation of Investment Options:*

The number and type of investment options/vehicles to be recommended will be determined by the Employer-Sponsored Plan Client, based upon the plan’s stated needs. We will review various investments, consisting predominantly of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the Employer-Sponsored Plan Client’s IPS. Our review process will result in the recommendation of specific investment options for the Employer-Sponsored Plan Client to consider for inclusion in the list of plan investment options.

*Monitoring of Investment Performance:*

A plan’s investment options will be monitored continuously based on the procedures and timing intervals delineated in the IPS or as otherwise set forth by the Employer-Sponsored Plan Client. Although we may not be involved in the purchase or sale of these investments, we will supervise the plan portfolio and will make recommendations to the Employer-Sponsored Plan Client as market factors and the plan’s needs dictate.

*Plan Performance Reporting:*

In conjunction with our monitoring activities, we may also provide periodic reports regarding the performance of a retirement plan and its underlying investment options. Such reports may include analysis from both us as well as outside parties engaged by us to provide additional analysis in regard to such plans. Such outside parties would be engaged exclusively by us and not by an Employer-Sponsored Plan Client.

*Employee Communications:*

For Employer-Sponsored Plan Clients whose plans offer plan participants the ability to self-direct their own investments, we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and in conjunction with a Employer-Sponsored Plan Client under the appropriate ERISA guidelines.

*Advice to Participants:*

We may also provide individualized advice to plan participants. This service includes a review of a participant’s individual situation, including age, existing assets, financial goals and attitude towards risk, and recommending an allocation of assets offered by the plan based on this information. Unless separately engaged to do so by a plan participant, we will not monitor a plan participant’s situation or otherwise

	supervise or consult on the ongoing management of a participant's assets within the plan or otherwise.										
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input type="checkbox"/> None </p>										
Service fees:	<p>The outside service provider shall charge client accounts for their quarterly fees. Client accounts will be charged for MFI's advisory fees every calendar quarter. Fees are negotiable and are set forth in the Account Application and Management Agreement. Fees might be higher than the costs of other similar services, but are intended to be in-line with what is generally available in the industry. The outside service provider's and MFI's fees are separate and distinct from one another. MFI's maximum annualized fees are as follows:</p> <table border="1"> <thead> <tr> <th>Portfolio Value</th><th>Maximum Fee</th></tr> </thead> <tbody> <tr> <td>\$0 - \$250,000</td><td>1.50%</td></tr> <tr> <td>\$250,001 - \$500,000</td><td>1.25%</td></tr> <tr> <td>\$500,001 - \$1,000,000</td><td>1.00%</td></tr> <tr> <td>\$1,000,000 and higher</td><td>Negotiable</td></tr> </tbody> </table> <p><i>Advice to Participants:</i></p> <p>Employer-Sponsored Plan Clients will be charged a fee of .25% for advisory services provided to plan participants.</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your Agreement.</p>	Portfolio Value	Maximum Fee	\$0 - \$250,000	1.50%	\$250,001 - \$500,000	1.25%	\$500,001 - \$1,000,000	1.00%	\$1,000,000 and higher	Negotiable
Portfolio Value	Maximum Fee										
\$0 - \$250,000	1.50%										
\$250,001 - \$500,000	1.25%										
\$500,001 - \$1,000,000	1.00%										
\$1,000,000 and higher	Negotiable										
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>										
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p> <input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you. </p> <p><i>Billing Via Custodian.</i></p>										

	<p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Direct billing.</i></p> <p>If so chosen, you will be invoiced by the last business day of the month subsequent to the most recently ended billing period. Payments are due within thirty (30) days of the invoice date.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, <input checked="" type="checkbox"/> in arrears, or <input type="checkbox"/> a portion in advance and a portion in arrears..</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

#### **IV.(C). Customization of Advisory Services**

To the fullest extent possible, we will endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for an individual client, we will perform a review of our clients’ financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of a client’s overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client’s particular circumstances.

In making investment recommendations on behalf of a client, we will rely on a data gathering document or other questionnaire, which would be completed based on information provided by a client.

Our clients are free to impose any restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines imposed by a client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and a client should not expect that the

performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to the client.

#### **IV.(D). Wrap Fee Program Participation**

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Refer to item IV.(B). above for details as to our participation/involvement with wrap programs. IV. (E). Assets Under Management<sup>1</sup> ("AUM")

AUM (discretionary):	\$506,813,982
AUM (non-discretionary):	\$79,130,685
Total AUM:	\$585,944,667
Date of AUM calculation:	12/31/2021

### **V. Fees and Compensation**

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#### **V.(A). Our Advisory Fees**

Refer above to Item IV.(B).

#### **V.(B). Fee Collection Process**

Refer above to Item IV.(B).

#### **V.(C). Other Fee/Expenses.**

Refer above to Item IV.(B).

#### **V.(D). Fees Charged in Advance**

Refer above to Item IV.(B).

#### **V.(E). Additional Compensation**

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Item V.(E) requires us to address situations in which we or any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Certain individuals who are associated with us, if properly registered and licensed to do so, may also receive compensation (i.e. commissions) related to the sale of securities or other investment products. Transaction-based compensation ("Additional Compensation") such as this is separate and distinct from the other fees we may receive in connection with our investment advisory services as described above in Item IV.(B).

##### **V.(E).(1). Conflicts of Interest**

The instructions in the Form ADV require us to tell you that the receipt or potential for the receipt of Additional Compensation gives our supervised persons an incentive to recommend investment products based on the Additional Compensation received, rather than on your specific needs. Although we are obligated to tell you this, our objective as a firm, which is shared by our supervised persons, is to place nothing before your best interests.

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<sup>1</sup> The term, "assets under management" shall carry the same meaning as that term is defined by Form ADV.

*How we address these conflicts.* First and foremost, we address the conflicts described above in relation to Additional Compensation by disclosing them to you in this Brochure as well as your representative's Brochure Supplement. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures ("WSPs") that was designed to address, among other things, conflicts of interest such as Additional Compensation. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

The potential conflict of interest resulting from the Additional Compensation described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they are proper in light of the added examination, licensing, registration, and other regulatory oversight that also takes place in the brokerage area of the investment industry. Our supervised persons have satisfied various regulatory examination and registration requirements that allow not only for the offering of the types of products and services described in the information related to the Additional Compensation described above but also the receipt of the normal and customary compensation that any similarly registered, licensed, and qualified person could receive in the form of sales compensation for those same products/services.

Bear in mind that even if our supervised persons were not registered/licensed to sell the types of products/services addressed in the preceding section, the majority of your investments or transactions involving such products would still result in you paying some sort of commission for those products. In the case of our supervised persons, their active registration/licensing may allow them to be able to receive such Additional Compensation as opposed to the executing financial institution keeping that compensation exclusively for itself.

Any Additional Compensation received by our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

*Procedures for disclosing these conflicts.* In an effort to inform you of these conflicts of interest, we have prepared this Brochure and have provided it to you, in part, for the purpose of disclosing these conflicts. You are always welcome to request a current copy of our Brochure. We are obligated to provide you a copy of this Brochure no later than the time you sign our Agreement and on an annual basis, we are required to provide you either (1) a copy of our current Brochure or (2) a set of instructions as to how you can request a copy of our current Brochure.

If we recommend mutual funds to our clients, we often recommend no-load funds.

## **V.(E).(2). Client-Directed Brokerage**

You have the ability to purchase investment products that we recommend through any broker-dealer or other financial institution you choose. If you choose to use a firm other than the broker-dealer(s) we may normally recommend, we may not be able to properly monitor your assets and therefore we cannot be held responsible for the success or failure of any investment products or strategies that you implement at firms other than those we recommend. In other words, our services and responsibilities will not apply to transactions you effect on your own whether through firms you choose on your own or through any broker-dealer we may recommend.

## **V.(E).(3). Brokerage Compensation**

We are not registered as a broker-dealer and thus, we do not receive transaction-based compensation for securities-related activities.

## **V.(E).(4). Advisory Fee Offset**

In the event that we or our supervised persons receive compensation other than our advisory fees as described above in Item V.(A), we will not adjust our advisory fees to offset those other fees.

## **VI. Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees.

## **VII. Types of Clients**

We will generally provide our services to the following types of clients.

- Individuals
- High net worth individuals
- Pension plans / profit sharing plans and its participants
- Foundations / charitable organizations
- Trusts
- Estates
- Business or corporate entities
- Credit unions, thrift institutions, or other banking institutions

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item IV.(B).

## **VIII. Methods of Analysis, Investment Strategies and Risk of Loss**

### **VIII.(A). Methods of Analysis**

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

#### **Charting / Technical –**

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.



## **Fundamental**

Fundamental analysis is generally the considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

## **Cyclical**

Cyclical analysis involves the evaluation of an investment instrument or perhaps its issuer for the purpose of identifying whether (and if so, to what extent) it/they may be impacted by fluctuations in the overall economic conditions throughout time. As an example, as more and more people lose their jobs, broad industries like housing or the automotive industries can be negatively impacted because consumers are less able to purchase things like homes and automobiles.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

## **Other**

MFI uses Morningstar's Office software in analyzing, mutual fund rating, stocks, annuities and other investment funds performance information. Often, we use Morningstar's quartile ranking reports to select or deselect funds supported in our managed portfolios.

To assist MFI in the design and creation of the various portfolios, MFI utilizes asset allocation software produced by an unaffiliated party, SunGuard, to design and implement the weightings and sectors represented in the MFI portfolios.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

## **Long-Term Purchases**

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

**Short-Term Purchases**

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

**Trading**

Trading generally involve the acquisition of an investment instrument and holding it for a period of no more than thirty days.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

**Short Sales**

Selling short involves the sale of an investment instrument that you do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the short sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

**Margin Trading**

Margin trading, or “trading on margin,” as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds you have available for the purchase. Essentially, trading on margin means that you can borrow additional funds, generally from the firm that holds your brokerage account, to purchase investment instruments that exceed the amount with which you have funded your account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

**Option Writing (including covered/uncovered options or spreading strategies)**

We will also employ the use of options trading in the event that such trading complements an investment strategy we may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when you own the underlying instrument on which the option is based. Uncovered options involve options trading when you do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

## **VIII.(B). Risk Disclosures**

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### **Capital Risk**

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

### **Credit Risk**

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### **Currency Risk**

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

### **Economic Risk**

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### **Financial Risk**

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### **Higher Trading Costs**

For any investment instrument or strategy that involves active or frequent trading, you may experienced larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

### **Inflation Risk**

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### **Interest Rate Risk**

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

**Legal/Regulatory Risk**

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

**Liquidity Risk**

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

**Market Risk**

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

**Operational Risk**

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

**Past Performance**

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

**Strategy Risk**

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

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**VIII.(C). Investment-Specific Risks**

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There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

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**IX. Disciplinary Information**

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The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the numbered items below, we shall provide details as to each applicable matter or we will answer "No" or "N/A." This information is

presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

### IX.(A). Criminal or Civil Action

In any domestic, foreign, or military court of competent jurisdiction, has MFI or any of its management persons...		
Been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been found to have been involved in a violation of an investment-related statute or regulation; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### IX.(B). Administrative Proceedings

Has MFI or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which MFI or any of its management persons...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority...		
denying, suspending, or revoking the authorization of MFI or one of its management persons to act in an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
barring or suspending MFI or one of its management person's association with an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
otherwise significantly limiting MFI or one of its management person's investment-related activities; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
imposing a civil money penalty of more than \$2,500 on MFI or one of its management persons?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### IX.(C). Self Regulatory Organization ("SRO") Proceedings

Has MFI or any of its management persons been involved in a SRO proceeding in which MFI or any of its management persons ...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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## **X. Other Financial Industry Activities and Affiliations**

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

### **X.(A). Broker-Dealers**

Neither MFI nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Some of our management persons, however, are registered as or currently seeking registration as a registered representative(s) of a broker-dealer.

### **X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators**

Neither MFI nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

### **X.(C). Related Persons**

We utilize the services of Capstone Investment Financial Group, LLC to serve as a sub-adviser to fixed income securities. Capstone is owned and operated by Mr. James Cornehlson. Mr. Cornehlson has an ownership interest in Meld Financial, Inc., serves on Meld's Investment Committee (which oversees fixed income portfolio management decisions), and is separately compensated by Meld as a business development/management consultant.

## **XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **XI.(A) Code of Ethics**

We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

## **XI.(B) Participation in Client Trading**

The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you.

No such arrangements exist.

## **XI.(C) Trading Alongside Our Clients**

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On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our associated persons quarterly or more frequently if required.

### Investment Policy

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

### Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client's purchase of that security; and
- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client's sale of that security.

As an alternative to the procedures described in the preceding points, we may included our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

## XI.(D) Trading Around the Same Time as Clients

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## XII. Brokerage Practices

The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

MFI is not a broker-dealer. Unless the client directs otherwise, MFI shall generally recommend that all the client's accounts be maintained at, by, or through certain other firms that are unaffiliated with MFI. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer activities.

Any such other firm may act in the capacity of "broker of record" for the client's accounts, in which case, another firm may serve as the custodian for the Client account(s). Alternatively, any such other firm may serve as both the "broker of record" and "custodian" for the client's accounts. In no case shall MFI act or attempt to act in the capacity of "broker of record" or "custodian" of the client's account, funds, or other assets.

Although not all-inclusive, MFI may recommend the following brokers of record and their corresponding custodian.

Broker of Record	Custodian
Triad Advisors, Inc.	National Financial Services, LLC
TD Ameritrade, Inc.	TD Ameritrade Institutional
Alerus Retirement and Benefit	Alerus Financial, NA
Fidelity	Fidelity Investments

Factors which MFI considers in recommending certain broker-dealers or custodians to clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, MFI or certain of its representatives may receive certain support services that may assist MFI in its investment decision-making process for all of MFI's clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although MFI will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client's account transactions.

## XII.(A).(1). Research and Soft Dollar Benefits

The SEC has defined soft dollar practices as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the adviser directing client brokerage transactions to the broker-dealer. Although soft dollar arrangements are perfectly acceptable if structured properly and as long as clients receive proper disclosure of them, soft dollar practices create an inherent conflict of interest because it is possible for an investment adviser to receive soft dollar benefits that it may not use specifically for the benefit of all clients whose commission dollars contributed toward the payment of



such soft dollar benefits. In other words, a client may share in the cost of a soft dollar benefit but may not share in the benefit itself.

Section 28(e) of the Exchange Act ("Section 28(e)") provides the framework under which an investment adviser who has and exercises investment discretion (as defined in Section 3(a)(35) of the Exchange Act) over client assets can use client commissions to obtain certain soft dollar benefits (such as research).

<http://www.sec.gov/news/studies/softdollar.htm#back>  
<http://www.sec.gov/about/laws/sea34.pdf>  
<http://www.sec.gov/news/studies/2011/913studyfinal.pdf>  
<http://www.sec.gov/rules/interp/2006/34-54165.pdf>  
<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2004.n1.4005>

We do not participate in any soft dollar arrangements.

## **XII.(A).(2). Brokerage for Client Referrals**

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In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

## **XII.(A).(3). Directed Brokerage**

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This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

### ***XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e. using a particular broker-dealer for execution purposes).

### ***XII.(A).(3)(b). Directed Brokerage – Permitted***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer, however, you may direct us to use a particular broker-dealer (subject to our right to decline such a request) to execute some or all transactions for your account or otherwise on your behalf. In such an event, we will not negotiate terms and arrangements for the account with the other broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" the transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, you may pay higher or lower 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.

## **XII.(B). Order Batching**

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Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn't guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large number of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders

that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XIII. Review of Accounts**

### **XIII.(A). Review of Accounts or Financial Plans**

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#### **Review of client accounts.**

In general, the frequency of account reviews is based on the dollar value of the total assets under management for a client. Accounts with an asset value of less than \$500,000 are reviewed annually. Accounts with an asset value of between \$500,000 and \$1,000,000 may be reviewed semi-annually. Accounts with an asset value of more than one million may be reviewed quarterly.

Further, MFI maintains a list of mutual funds that it monitors on an ongoing basis. These funds are reviewed in comparison to specific review factors developed by MFI. In the event that MFI discovers that a particular fund falls below or exceeds MFI's desired performance criteria, MFI may seek to alter individual client accounts based on that discovery.

#### **Account Reviewers**

- number of reviewers: Four (4).
- Titles/functions: President, CCO, COO, Portfolio Analyst, Client Relationship Manager.
- Review instructions: Review instructions are focused on the "Different levels" noted above or if other review activities may be deemed warranted by MFI or otherwise requested by a client.

Number of accounts reviewed/reviewer: The number of accounts to be reviewed by the reviewers may vary but will generally be split equitably, 25% per reviewer.

#### **Review of Financial Plans.**

We will review and update financial plans for clients as agreed upon in the Financial Planning Retainer Agreement signed by MFI and the client. As part of the review process we meet with clients to determine if any changes have occurred over the past year or are projected over the coming year that will impact any components of their financial plan. These include changes in family status, employment, health or medical conditions, income, expenses and goals or objectives. During this process we obtain updated account and market values for the client's assets and prepare an updated financial plan based on current circumstances and market conditions

These reviews will be performed by the President and CCO.

### **XIII.(B). Non-Periodic Account Reviews**

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Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated

investment objectives. Additional triggering factors could be the performance on an individual account being inconsistent with the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.

### **XIII.(C). Reports to Clients**

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Account statements will be provided no less frequently than quarterly by the custodian, not by us.

Account statements will identify account positions, balances, and transaction details. Upon your request, a quarterly account appraisal (written or electronic) may be created for you as well as an annual year-end statement.

In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

### **XIII.(D). Review of Trade Errors**

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During the course of the review of the trade blotter, the DS (Designated Supervisor) shall review for accuracy of the trades affected on behalf of the Firm's clients. In the event an error is discovered, the DS shall consult with the appropriate IAR and/or order entry person within the Firm in an effort to determine the cause of the error. As part of this review process, the DS may also consult with the executing BD and/or custodian with whom the account is held. Once the cause (or apparent cause) of the error is determined, the DS shall seek to correct the error with the appropriate party.

The DS shall also communicate the pertinent facts of the situation to the affected client in order to provide a complete understanding of the situation, including the resolution of the matter. If deemed appropriate by the DS, the DS may choose to contact the client upon detection of the error and may update the client throughout the review and resolution process.

Once resolved, the DS shall maintain records of the entire review and resolution process.

## **XIV. Client Referrals and Other Compensation**

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### **XIV.(A). Compensation We Receive**

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Certain of our associated persons, when acting as registered representatives of a broker-dealer, receive selling compensation from such broker-dealer as a result of the facilitation of certain securities transactions on your behalf through such broker-dealer.

Additionally, certain of our associated persons, through such associated person's association as a licensed insurance agent, also receive selling compensation resulting from the sale of insurance products to you or other clients of ours.

Arrangements involving someone's receipt of both advisory and brokerage or other compensation in connection with the advisory services we provide to you can be considered "double-dipping." That term carries negative connotations but in the financial services industry, it is not only acceptable but is completely appropriate and within the permissible activities of those individuals and entities who are properly registered and licensed to engage in such activities. You should be aware that some investment advisers do not receive brokerage or other compensation for transactions they may effect on your behalf and as a result of dealing with other firms, you will not necessarily pay any less for the same services that you may receive from us, however, the individual that you may deal with or his/her sponsoring firm may not be eligible to receive brokerage or other compensation other than the investment advisory compensation that you would normally expect to pay an investment adviser for the same services.

The general industry standard for a client's overall annual fee for investment advisory services is a cap of 3.0%. This means that most investment advisers will keep their service fees for investment advisory work below 3.0% (of the assets they have been engaged to manage) on an annual basis. That said, a client could easily pay in excess of 3.0% of the assets that their investment adviser has been engaged to manage in light of other fees such as brokerage fees/commissions, execution costs, custodial fees, etc. We routinely monitor our fees to ensure that they are not only consistent with those found in the industry for similar services, but we also review our fees for the purpose of ensuring that our billing practices are consistent with the provisions set for in your investment management agreement with us.

## **XIV.(B). Compensation We Pay**

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Under certain circumstances, firms like ours may compensate other parties for having referred clients or potential investment advisory clients them. These sorts of arrangements are generally referred to as "solicitor" arrangements. We do not participate in any solicitor arrangements of this sort.

## **XV. Custody**

We engage in certain activities that result in us being deemed to have custody of certain of our client's funds and/or securities.

- ☒ Automatic fee deduction from your brokerage or other trading accounts
- ☐ Physical possession or control (even temporary) of client funds or securities
- ☐ The ability to gain access to any client funds and/or securities
- ☐ One of our related persons has custody of funds and/or securities subject to our investment advisory services
- ☐ We or one of our related persons serves as the general partner, managing member, or other similar type of control person to an investment fund to which we provide investment advisory services.

As stated previously in Item XIII.(C)., your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian.

## **XVI. Investment Discretion**

As part of our investment advisory services, we will generally seek and obtain your authorization to carry out part of our services on a purely discretionary basis. We will memorialize your authorization of our discretionary authority in our Investment Management Agreement.

If you have authorized us to do so, we will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on the client's behalf
- 2) The amount of securities to be bought or sold on the client's behalf
- 3) Timing as to when such securities are to be bought or sold

We will have authority to exercise complete discretion with regard to the above named factors without restriction. If done so on a non-discretionary basis, we will make certain recommendations that must be authorized by you prior to our facilitation of any such transactions. As may be separately agreed to in writing, we will observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

## **XVII. Voting Client Securities**

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### **XVII.(A). Proxy Voting**

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#### **Proxy Voting Policies and Procedures and Client Instruction**

We do not vote proxies on behalf of any securities you own.

### **XVII.(B). Proxy Voting**

Since you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at (205) 967-4200.

## **XVIII. Financial Information**

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### **XVIII.(A). Balance Sheet**

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We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

### **XVIII.(B). Adverse Financial condition**

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We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. On April 22, 2020, the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$154,207 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Additionally, Brookstone Wealth Management, a DBA of MFI received a PPP loan on May 4, 2020 in the amount of \$16,457. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was necessary and prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. The firm used the PPP funds to continue payroll for the firm's employees, including employees primarily responsible for performing advisory functions for our clients, and make other permissible payments. The loan is forgivable provided the firm satisfies the terms of the loan program.

### **XVIII.(C). Bankruptcy-Related Matters**

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MFI has never been the subject of a bankruptcy petition.

## **XIX. Requirements for State-Registered Advisers**

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This portion of the Brochure relates to requirements that may be imposed on MFI by the various state securities regulators. Since MFI will plan to maintain an investment adviser registration at the federal level with the SEC, no additional information is needed in this section.