



# Exhibit C: New Account Disclosures for Broker/Dealer and Investment Advisory Accounts

## Effective 1–1–2020

**IN CONSIDERATION of M Holdings Securities, Inc. (M Securities) opening an account on my behalf, I warrant and agree to be bound by all of the following representations and disclosures. I understand M Securities is a Broker/Dealer and Investment Adviser registered with the Securities and Exchange Commission, a member of the Financial Industry Regulatory Authority (FINRA), and a member of the Securities Investor Protection Corporation (SIPC).**

## Arbitration Agreement

### FOR DISPUTES RELATING TO BROKER/DEALER SERVICES ONLY:

This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- (A) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- (B) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (C) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (D) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- (E) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- (F) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (G) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.
- (H) We arbitrate in Oregon unless otherwise stipulated.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**M Securities and the account holder agree that all disputes, claims and controversies between them or between the account holder, and any clearing agent used by M Securities, whether individual, joint, or class in nature, arising from this agreement or otherwise, including all contract and tort disputes, shall be arbitrated except as permitted by the rules of the arbitration forum in which a claim is filed. Arbitration shall be conducted pursuant to the rules then offered by the Code of Arbitration Procedure of FINRA. The arbitration hearing shall be conducted in any city in which FINRA maintains a hearing location. Judgment upon any arbitration award may be entered in any court having jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines otherwise applicable in any action brought by a party shall be applicable in any arbitration proceeding. The commencement of an arbitration proceeding shall be deemed the commencement of any action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.**

### FOR DISPUTES RELATING TO INVESTMENT ADVISORY SERVICES ONLY:

Excepting actions for injunctive relief, any claim or controversy arising out of or relating to the Client Capital Management Agreement, including, without limitation, the Adviser's advisory services, or interpretation of the Client Capital Management Agreement, shall be settled either by mediation instituted at the request of either party, or if not resolved by mediation, by arbitration in Multnomah County, Oregon. Judgment on any arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. Any such arbitration will be held in Portland, Oregon, unless otherwise agreed to by both parties. Notwithstanding the foregoing, nothing in this section will constitute a waiver of any right the Client may have to choose a judicial forum.

## SIPC Disclosure

You may obtain information about the Securities Investor Protection Corporation (SIPC), including the SIPC brochure, by contacting SIPC at 202.371.8300 or by visiting its website at [www.sipc.org](http://www.sipc.org). The SIPC brochure provides information about what is covered by SIPC and what is not, and how to avoid investment fraud.



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## Business Continuation Plan Disclosure

*Pursuant to FINRA and SEC regulation, M Securities has a Business Continuity Plan (BCP) in place to prepare for the possibility of future significant business disruptions (SBD) ranging in severity from a firm only disruption to a regional disruption. M Securities' recovery time from an SBD will depend on the severity and significance of the event.*

M Securities' functional, offsite facility located in Southern California provides an alternative location from which we can reasonably operate during such a SBD. In the event of a catastrophic failure on a scale up to and including a citywide disruption, M Securities will continue business operations from this offsite facility.

M Securities maintains a relationship with one clearing firm, Pershing LLC. Brokerage accounts are processed through Pershing LLC, which then maintains the customer account and settles customer transactions. In the case of a regional catastrophic event, including but not limited to a natural disaster, terrorist attack, or other severe failure where M Securities can no longer conduct business, Pershing LLC will provide the appropriate support to ensure business continuity with respect to customer transactions and access to customer funds and securities. Visit [www.pershing.com](http://www.pershing.com) and select About Us for more detailed information about Pershing's business continuity efforts. If you have any questions regarding this summary, please call M Securities at 888-520-6784.

## Anti-Money Laundering Disclosure

*To help the U.S. government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we may ask for your name, address, date of birth, identification number and other information that will allow us to verify your identity. We may also ask to see your driver's license or other identifying documents.*

You understand that in order to comply with federal regulations, information provided on the Client Account Form will be used to verify your identity. For example, your identity may be verified through the use of a database maintained by a third party. If M Securities is unable to verify your identity, you understand it may need to take action by requesting additional information from you, not opening an account for you or possibly closing an existing account, which may result in the liquidation of your assets at their current market price, thereby exposing you to potential tax consequences and/or loss.

## Unclaimed Property

Applicable state law may deem an account to be dormant when there is no owner-generated activity and/or there is an invalid mailing address during a specified time period. If we are unable to locate you and/or no owner-generated activity occurs in your account within the time period specified by state law, we may be required to turn over property in your account including unclaimed distributions to your last known state of residence. Please note that many states liquidate account holdings under their unclaimed property laws, subsequent to receipt from M Securities which could have financial and tax implications to you. As a result of this requirement, we encourage you to update and maintain your account information and address with M Securities.

## Householding of Communications

As a convenience to you, M Securities may consolidate periodic communications for certain accounts with the same owner and address. This practice, called "householding" applies to accounts that share the same name, address and Registered Representative.

## Mutual Fund Share Class and 529 Plan Disclosure

**DISCLAIMER: THIS DISCLOSURE STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE A JUDGMENT OR RECOMMENDATION REGARDING WHETHER MUTUAL FUNDS, PARTICULAR MUTUAL FUND SHARE CLASSES OR 529 PLANS ARE APPROPRIATE INVESTMENTS FOR YOU.**

### Mutual Fund Breakpoint Discounts

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged, as well as the breakpoint discounts to which you may be entitled. Mutual funds generally offer more than one share class to investors, and different share classes have different sales charges and other expenses. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you reduce the cost of your investment. This disclosure document provides general background information about these charges and discounts. However, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these issues with your investment professional and review each mutual fund's prospectus, which is available from your investment professional, for specific information regarding the charges and breakpoint discounts associated with a particular mutual fund prior to investing.



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## Share Classes

**Class A** – This class usually carries a front-end sales charge. This means a sales charge is deducted from your investment each time you purchase additional shares, and is paid at the time of your investment. Typically, Class A shares have a lower expense ratio (total annual fund operating expenses as a percentage of the mutual fund's assets and referred to as 12b-1s) compared to the other share classes of the same mutual fund, which means that your on-going costs may be lower than the costs associated with other share classes. Many mutual funds offer “breakpoint” discounts if you make a large investment, already own shares of mutual funds in the same fund family, sign a Letter of Intent committing to purchasing additional shares in order to reach a breakpoint within 13 months, or you, with other eligible family members own funds within the same fund families. These breakpoints are described in the mutual fund's prospectus. If you are eligible for a breakpoint, the mutual fund company must be notified when the investment is made. Class A shares typically have lower annual expenses than other share classes and may be less expensive over the long term for investors investing \$100,000 or more.

**Class B** – Rather than imposing a sales charge at the time of initial investment, Class B shares are characterized by a back-end or contingent deferred sales charges (also known as a “CDSC”), which means that you may pay a sales charge when you redeem (sell) mutual fund shares. The amount of the CDSC as a percentage of your investment normally declines over time and eventually is eliminated the longer you hold your shares (the period of decline may last anywhere from 5 to 8 years depending on the particular mutual fund). Once the CDSC period has ended, Class B shares usually convert to Class A shares. Until this conversion takes place, Class B shares will generally have higher 12b-1 fees than Class A shares and, as a result, the overall expense ratio for Class B shares will generally be higher than that of Class A shares. Depending on your time horizon and the amount invested, the higher annual expenses may result in a lower return on investment as compared to an investment in Class A shares.

**Class C** – Similar to Class B shares, Class C shares are generally characterized by a CDSC. However, unlike Class B shares, the possibility of incurring a CDSC if you sell your shares is generally eliminated after a short period of time (usually 1 year). Class C shares also generally have higher 12b-1 fees than Class A shares, but may have the same or comparable 12b-1 fees as Class B shares. As a result, Class C shares will almost always have a higher total operating expense ratio than Class A shares, while Class C shares have total operating expense ratios that are generally comparable to Class B shares during the B share CDSC period. Depending on the fund company, Class C shares may convert to Class A shares after a long period of time (usually 10 years). Depending on your time horizon, the higher annual expense may result in a lower return on investment as compared to an investment in Class A shares.

**Other Share Classes** – In addition to A, B, and C shares, there may be other share classes available through the mutual fund family in which you are investing. These share classes may have no sales charge, low expenses, or varying combinations of charges. These shares are generally restricted to certain account types, such as retirement or advisory, or have high minimum investment requirements. For more information on these share classes, refer to the fund's prospectus and speak with your investment professional.

## Sales Charge

Investors who purchase mutual funds must make certain choices, including which funds to purchase and which share class is most advantageous. Each mutual fund has a specified investment strategy. You need to consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, most mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class. As a general rule, Class A shares carry a “front-end” sales charge or “load” that is deducted from your investment at the time of purchase. This sales charge is a percentage of your total purchase. As explained below, many mutual funds offer volume discounts to the front-end sales charge assessed on Class A shares at certain pre-determined levels of investment, which are called “breakpoint discounts.” In contrast, Class B and C shares usually do not carry any front-end sales charges.

Instead, investors who purchase Class B or C shares pay asset-based sales charges, which may be higher than the charges associated with Class A shares. Investors who purchase Class B and C shares may also be required to pay a sales charge known as a contingent deferred sales charge when they sell their shares, depending upon the rules of the particular mutual fund and the length of time the shares have been owned.

## Breakpoint Discounts

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors who make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply. Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through Rights of Accumulation, and future purchases based upon Letters of Intent. This document provides general information regarding Rights of Accumulation and Letters of Intent. However, mutual funds have different rules regarding the availability of Rights of Accumulation and Letters of Intent. Therefore, you should discuss these issues with your investment professional and review the mutual fund prospectus to determine the specific terms upon which a mutual fund offers Rights of Accumulation or Letters of Intent.



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## 1. Rights of Accumulation

Many mutual funds allow investors to combine the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase to qualify for breakpoint discounts. Moreover, some mutual funds allow investors to count existing holdings in multiple accounts, such as IRAs or accounts at other broker-dealers, to qualify for breakpoint discounts. Therefore, if you have accounts at other broker-dealers and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your investment professional about those balances. You may need to provide documentation establishing the holdings in those other accounts to your investment professional if you wish to rely upon balances in accounts at another firm.

In addition, many mutual funds allow investors to count the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts. Each mutual fund has different rules that govern when relatives may rely upon each other's holdings to qualify for breakpoint discounts. You should consult with your investment professional or review the mutual fund's prospectus to determine what these rules are for the fund family in which you are investing. If you wish to rely upon the holdings of related parties to qualify for a breakpoint discount, you should advise your investment professional about these accounts. You may need to provide documentation to your investment professional if you wish to rely upon balances in accounts at another firm.

Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value (NAV) of existing investments in determining whether an investor qualifies for a breakpoint discount. However, a small number of funds use the historical cost, which is the cost of the initial purchase, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements or monthly statements, to qualify for a breakpoint discount based upon previous purchases. You should consult with your investment professional and review the mutual fund's prospectus to determine whether the mutual fund uses NAV or historical costs to determine breakpoint eligibility.

## 2. Letters of Intent

Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, by which the investor states his/her intention to purchase a specified amount of Class A shares within a defined period of time, usually 13 months. For example, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with a \$50,000 investment on the first and all subsequent purchases made pursuant to the Letter of Intent. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount stated in the Letter of Intent, the fund is entitled to retroactively deduct the additional sales charges based upon the total amount that the investor actually invested. If you intend to make several purchases within a 13 month period, you should consult your investment professional and the mutual fund prospectus to determine if it would be beneficial for you to sign a Letter of Intent.

Understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. You should discuss the availability of breakpoint discounts with your investment professional and carefully review the mutual fund prospectus, which can be obtained from your investment professional, when choosing among the share classes offered by a mutual fund. Furthermore, the Financial Industry Regulatory Authority (FINRA) maintains a Mutual Fund Expense Analyzer tool on its website at [www.finra.org](http://www.finra.org) that may help you in making a decision on the right share class for you.

## 529 Plan Disclosures

Depending upon the laws of your home state and the laws of the designated beneficiary's state, favorable state tax treatment or other benefits may be available if you invest in your home state's 529 college savings plan. Any state-based benefit offered with respect to a particular 529 college savings plan should be just one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax, or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances, and you may wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits, and limitations of that state's 529 college savings plan.



## Complex Products—Risk Disclosure Statement

Generally, a complex product is one with multiple, novel, complicated, intricate, derivative or similar features that affect its investment return differently under various scenarios. Following are some examples of potentially complex products:

- asset-backed and other derivative securities
- reverse convertible notes
- structured notes with “worst-of” features
- principal protected products
- range accrual notes
- leveraged and inverse exchange-traded funds
- commodity futures-linked securities
- private placements
- hedge funds and private equity funds
- direct participation programs
- real estate investment trusts
- equity-indexed annuities
- public and private variable products

This list is not exhaustive, and even some relatively simple products might impose substantial risks to investors. A key aspect of complex products is whether investors can understand complex product features. Trading in financial products always involves a risk. You should only purchase financial products if you completely understand their features and associated risks.

This disclosure does not contain, and may not be relied upon to contain, a complete description of complex products or their features, terms or risks. Before you purchase any product, including complex products, you must carefully read all the relevant offering and disclosure document(s) and/or prospectuses, which contain more complete descriptions of features, terms, risks and potential conflicts of interest. **Complex products are unsuitable for many investors. If you don't completely understand the product, you should not purchase it.**

With respect to complex products in general:

- Historical performance is not a predictor or guarantee of future performance
- Some products may be difficult or impossible to sell or liquidate in a timely fashion
- Some products may trade in thin or non-existent markets and are difficult to value
- Some products may trade on a foreign exchange that may not offer the same regulatory protection as a United States based securities exchange
- Some products may have complex tax consequences and you need to consult your tax advisor for a full understanding of the tax implications
- Some products entail the use of “leverage” which may magnify price swings and losses

## Variable Annuity Addendum

This overview discusses some key things you should know about Variable Annuities. It is a summary only and does not include all important information about your investment; please refer to your Contract and the product's prospectus which contains important information such as investment objectives, risks, charges and expenses. Read the prospectus carefully and discuss any questions you may have with your representative.

A variable annuity is a contract between you and an insurance company, under which you make a lump-sum payment or series of payments. In return, the insurer agrees to make payments to you beginning immediately or at some future date. Variable annuities allow you to invest your purchase payments in a range of investment options. You can move your investment among the available options and generally may transfer the annuity from one provider to another without any adverse tax consequences, as long as it remains in an annuity. The value of your account in a variable annuity will vary depending on the performance of the investment options you have chosen, and you may receive more or less than the amount invested.

An annuity contract may be appropriate if you're looking for retirement income or you want to meet other long-term financial objectives. You should carefully consider your age, income, net worth, tax status, insurance needs, financial objectives, investment goals, liquidity needs, time horizon, risk tolerance and other relevant information to decide if a variable annuity is right for you.



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Variable annuities generally offer three distinct features that other financial instruments may not:

1. Tax-deferred growth of earnings;
2. A death benefit that will pay to your beneficiary the greater of your account value or a guaranteed minimum amount, such as your total purchase payments minus any withdrawals; and
3. The option to receive a stream of periodic payments for either a definite period (such as 20 years) or an indefinite period (such as your lifetime or the life of your spouse).

Variable annuities may also be structured with additional insurance benefits or optional features including, but not limited to, guaranteed minimum income benefits, guaranteed account value benefits, extended death benefits and guaranteed minimum death benefits. Additional costs generally apply in order to pay for these benefits, and it may take longer to recoup these costs than with other non-insurance benefits. Variable annuity contracts may also offer a bonus credit on initial and subsequent deposits into the annuity. Internal fees (including mortality and expense (M&E) fees), surrender charges and surrender periods may be higher and longer for this variable annuity compared to other annuities that may be available without this “bonus” feature. Please consult your prospectus for details regarding all expenses, fees and conditions.

Like an IRA or 401(k) plan, the returns from an annuity compound tax-deferred until the money is withdrawn, usually at retirement. Withdrawals before age 59½ may be subject to a 10% federal penalty tax. Unlike IRAs or 401(k) plans, there is generally no annual limit on the amount you can invest in an annuity. If buying a variable annuity to fund a retirement plan that already provides tax deferral (such as a 401(k) plan or IRA), you should do so for reasons other than tax deferral, as you will receive no additional tax advantage from the variable annuity.

As with other tax-deferred plans, any earnings in an annuity are taxed at your ordinary income rate, which may be higher than today’s maximum 15% capital gains rate. Investors considering variable annuities should evaluate whether they would benefit more from the tax deferral on earnings or from the lower capital gains rate if the same investment were held in a taxable account.

When considering a variable annuity, you should weigh the advantages of tax deferral and insurance features against an annuity’s higher fees and relative illiquidity. Withdrawals and loans (if permitted) from variable annuity contracts are subject to restrictions, as described in the prospectus. If a variable annuity is held within an IRA (other than a Roth IRA), the government requires that you begin withdrawing income no later than April 1st of the calendar year following the year you turn age 70 ½. Withdrawals and loans will reduce the future contract value and death benefit of the variable annuity and may have federal and state tax consequences. You are urged to consult with your tax advisor for further information regarding your specific tax situation.

Variable annuity contracts offer a “free look” period. Generally, this period is ten (10) days, but this length, as well as the terms and conditions of the period, may vary by sponsoring company. Variable annuity contracts can be canceled during the “free look” period to receive a refund of all or some portion of the purchase amount paid, as provided by the Contract and state law.

### **IF REPLACING OR EXCHANGING MONIES FROM AN EXISTING INVESTMENT INTO A VARIABLE ANNUITY, PLEASE REVIEW THIS IMPORTANT INFORMATION ABOUT REPLACEMENTS/EXCHANGES:**

When surrendering one investment for another, your representative must discuss with you the following:

1. The differences between your existing investment and the proposed annuity, including guarantees, death benefit provisions, tax treatment and/or withdrawal provisions;
2. Surrender charges applicable to the surrendering of your existing investment, as well as the surrender schedule of the proposed annuity;
3. Any costs associated with the purchase of the proposed annuity, including sales charges or other initial fees;
4. The possibility, if any, of modifying or adjusting the existing investment to meet your needs, rather than replacing the investment;
5. The “free look” provision which may allow you to cancel the new contract without penalty; this option is generally available for ten (10) days after you receive the new contract.

M Holdings Securities, Inc. encourages you to consult with your tax advisor before replacing or exchanging one investment for another. Depending on the transaction, you may be subject to income, capital gains or other taxes and penalties.

### **Supplemental 408(b)(2) Disclosure** *(Revised 1–1–2020)*

#### **This Disclosure Applies Only to Qualified Plan Clients**

#### **Regarding Revenue Received By M Financial from One of the Following Recordkeepers: J.P. Morgan, John Hancock, Principal, or Voya Financial**

This information supplements the disclosures made to you under ERISA Section 408(b)(2) by your plan’s financial representative. Your representative’s firm is a Member Firm of M Financial Group (M Financial). Member Firms and many of their affiliated producers are stockholders of M Financial. As stockholders, they share in the profits of M Financial via periodic stock or cash dividends.

If your plan recordkeeper is one of those listed above, it makes certain supplemental payments to M Financial in connection with your Contract. These payments are paid out of the recordkeeper’s general assets and will not result in any additional direct or indirect charge to your plan by the recordkeeper, financial representative or any other party. None of these payments relates directly to your plan, nor are any of the payments passed through to the Member Firm or your representative. Further, M Financial does not realize any net revenue from these recordkeeper payments after taking into account the direct expenses related to the services described below. Accordingly, no portion of these payments is allocable to your plan.



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All recordkeeper payments listed in this exhibit are used to reimburse M Financial for out-of-pocket costs associated with the services to its Member Firms. The payments are not related to the sale of any particular retirement plan, and the fees are not paid directly from plan assets.

M Financial provides educational, administrative and technical support for Member Firms at no charge to plan sponsors. This includes professional development, statistical tools and resources used to benchmark, design and efficiently obtain competitive proposals from appropriate providers. It also includes providing sales and marketing support to the recordkeeper. The assistance provided by M Financial to its Member Firms may be considered an indirect service to your plan. In providing these services, M Financial does not act as a fiduciary under ERISA nor as an investment adviser under the Investment Advisers Act of 1940.

M Financial receives the following payments from the recordkeepers listed above:

Recordkeeper	Annual Platform Payment	Variable Fee Amount
J.P. Morgan	N/A	2 basis points (0.02%) annually, payable quarterly, on total plan assets held at the recordkeeper
John Hancock	\$35,000	Up to \$15,000 for M Financial sponsored meetings
Principal	\$35,000	Up to \$15,000 for M Financial sponsored meetings
Voya	\$30,000	N/A

## Guide to Brokerage and Investment Advisory Services Offered Through M Securities

M Securities carries both broker/dealer and investment advisory registrations with the Securities and Exchange Commission (“SEC”). However, brokerage and investment advisory services are covered under different sets of laws and regulations, and our obligations to you are different for each. Our financial representatives may assist you with either brokerage or investment advisory services and each is governed by specific and separate agreements and documents. This narrative highlights key differences between the brokerage and investment advisory services available through M Securities.

### M Securities Brokerage Services

As broker, our main role is to solicit and/or accept orders and execute transactions in your account based on your instructions. You or your authorized representative direct and approve all trading and are responsible for all investment decisions within your account. We also offer you investment education, research, and guidance to assist you in making decisions on securities you wish to purchase or sell. No separate fees are charged for this information, as it is considered a component of your brokerage relationship with us. When we provide brokerage services, applicable laws and regulations require us, among other things, to:

- Execute your trades with diligence and competence, and seek best execution under prevailing market conditions;
- Have reasonable grounds for believing that any security that we specifically recommend to you is suitable in light of your investment profile and prevailing market conditions; and
- Treat you in a manner characterized by principles of fair dealing and high standards of honesty and integrity.

Brokerage accounts typically charge a commission for each transaction, or a mark-up/mark-down. Other costs and charges that may apply to your account are disclosed in the M Securities broker-dealer client account documentation and/or Pershing, LLC custodial account documentation.

### M Securities Investment Advisory Services

As investment adviser, our primary role is to provide ongoing investment advisory services in the management of your investment advisory account. We provide either non-discretionary or discretionary investment advisory services based upon your preference to have, or not have, final approval of each investment decision. We owe you a “fiduciary duty” in connection with the advisory services we provide to you. Under this duty, we are obligated to place your interests before our own when managing your account. When we provide advisory services, applicable laws and regulations require us, among other things, to:

- Ensure that investment advisory services are suited to your specific investment objectives, needs, and circumstances;
- Disclose actual and/or potential conflicts of interest between your interests and ours;
- Obtain your consent before engaging in transactions on your behalf with our own account, our affiliates’ accounts, or our clients’ accounts; and
- Not provide an unfair advantage to one advisory client to the disadvantage of another.

Advisory accounts are generally billed based on a percentage of assets managed in the account, rather than on a per transaction fee basis. Fees are negotiated directly between the advisory representative and the client. Other costs and charges that may apply to your account are disclosed in the M Securities investment advisory client account documentation and Form ADV Part 2.



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## Which Type of Account—Brokerage or Advisory—Best Meets Your Needs?

Costs are an important—and sometimes primary—factor in choosing the best type of account. A frequently traded brokerage account charging a separate fee for each transaction may cost significantly more than a similarly traded advisory account charging a fixed percentage fee based on account assets. Conversely, a buy and hold trading strategy may favor a brokerage account over an advisory account in terms of costs for the exact opposite reason.

However, costs are only one of several factors affecting your choice of account. An investor might choose an advisory account for a buy and hold strategy over a brokerage account, even if more costly, because of additional factors such as: (i) the commitment to manage your account continuously, (ii) the ability to place trades on a discretionary basis (i.e., without obtaining your prior approval for each transaction); (iii) value added services such as performance and other types of reports not available through a brokerage account, (iv) options such as separate account managers and particular investment funds not available on the brokerage side, and (v) the fact that your advisory representative is held to a fiduciary standard of care.

**You should discuss and review with your M Securities financial representative upon account opening AND periodically thereafter whether you are best suited for a brokerage or advisory account, based on your financial goals, risk tolerance, cost concerns and desired level of service.**

## MFH Disclosure Acknowledgment Form *(Revised 1-1-2020)*

### M Financial Group and its Member Firms

M Financial Group and its subsidiaries provide a variety of support services to a select network of Member Firms. Member Firms are independently owned and managed financial service firms (other than M Benefit Solutions, a Member Firm wholly owned by M Financial Group), and are not agents of M Financial Group.

Member Firms provide a broad range of financial products and services, primarily to highly affluent clients, including:

- Life insurance
- Fixed and variable annuities
- Disability and Long Term Care insurance
- Employee benefits
- Mutual funds and private investment funds
- Investment advisory services
- Securities brokerage services
- Life settlements with respect to existing insurance contracts

In providing these and other financial services, M Financial Group is recognized as one of the nation's premier financial services distribution networks for the affluent and corporate markets.

### Services to Member Firms

M Financial Group and its subsidiaries provide to Member Firms a variety of support services, including product design and marketing assistance, as well as access to securities-related products and services. M Financial Group (on behalf of unaffiliated financial service providers) has direct dealings with Member Firm clients at the request of a Member Firm, typically in conjunction with a Member Firm client presentation or proposal. M Financial Group may also engage in direct sales and service activity with clients referred to M Financial Group pursuant to strategic partnerships with financial institutions that utilize M Financial Group's expertise to serve the life insurance needs of their clients.

M Financial Re, a subsidiary of M Financial Group, reinsures a portion of the mortality risk on some policies issued by unaffiliated insurance carriers and sold by Member Firms.

Member Firms are free to offer products and services provided by any financial service provider and are not required to offer products or services designed or promoted by M Financial Group.

### Proprietary Insurance Products

M Financial Group develops life insurance products in conjunction with unaffiliated insurance companies, which products can be offered only by M Financial Group, its Member Firms and their affiliated producers. These products are designed using M Financial Group's proprietary experience data (such as mortality, persistency, and policy size) derived from policies reinsured by M Financial Re. These proprietary products may include pricing advantages and other features that benefit the highly affluent clientele primarily served by Member Firms.

When M Financial Re reinsures proprietary products, M Financial Group has direct access to policy experience data. This direct access facilitates active management of inforce business. With this data, M Financial Group can continuously monitor the service, experience, and performance of inforce business on behalf of Member Firms and their clients. From time to time, policy experience data may result in pricing enhancements that apply to new sales. M Financial Group uses its influence to encourage insurance carriers to apply these improvements to inforce business as well. Since the first M Financial Group proprietary product was introduced in 1996, there have been fifty-four pricing enhancements for new sales, all of which were also applied to inforce policies. Although M Financial Group has had success encouraging insurance carriers to improve inforce policy performance in the past, carriers are not required to do so and accordingly this success may not continue in the future.



## Ownership of M Financial Group

Member Firms and many of their affiliated producers are stockholders of M Financial Group. As stockholders, they share in the profits of M Financial Group via periodic stock or cash dividends.

M Financial Group also maintains an Incentive Compensation Plan pursuant to which it annually distributes to Plan Participants (e.g., Member Firms or their producers) most of M Financial Group's consolidated net cash profits. Although distributions under the Plan are, to some extent, averaged among the various Member Firms, lines of business, and cost centers of M Financial Group, a significant portion of Plan distributions are made in proportion to the revenue that a Member Firm generates. Member Firms and producers do not receive credit under the Plan for business deriving from retirement accounts which are subject to ERISA.

Distributions of dividends and Incentive Compensation to Member Firms or their producers are in addition to compensation paid to producers by unaffiliated insurance carriers and other financial service providers. Many Member Firms remit these distributions to their owners or individual producers (in some cases in proportion to business generated). Additionally, M Financial Group may provide benefits and non-cash compensation to Member Firms and their affiliated producers. These include, but are not limited to, subsidized expenses, meetings, and trips.

## Sources of M Financial Group Revenues

M Financial Group derives its consolidated revenues from a variety of sources, which include both its Member Firms and unaffiliated insurance carriers and other financial service providers. The majority of these revenues come from two sources:

- **“Override” compensation** paid to M Financial Group by insurance carriers and other financial service providers on both proprietary and non-proprietary products. Override compensation is based upon such factors as aggregate policy premiums paid to a carrier from sales by all Member Firms, aggregate assets placed under financial management from sales by all Member Firms, and profits earned and/or services utilized from sales by all Member Firms. The amount of compensation varies among products and carriers.
- **Reinsurance profits** (or, potentially, losses) from the mortality, investment, and persistency risks assumed by M Financial Re on certain proprietary and non-proprietary policies.

M Financial Group derives revenue from other sources as well, including:

- Annual **membership fees** paid by Member Firms to M Financial Group.
- **Solicitation fees, 12b-1 fees, sales and other forms of compensation** paid to M Financial Group or its subsidiaries by financial service providers, including without limitation mutual funds and hedge funds that are investment options under variable insurance products sold by Member Firms.
- **Investment advisory fees** with respect to assets invested in the M Funds, a family of proprietary mutual funds that are available as investment options under insurance products.
- **Investment advisory fees** for investment advisory services provided through registered investment advisor subsidiaries of M Financial Group.
- **Brokerage fees or commissions** for securities transactions executed by a registered broker-dealer subsidiary of M Financial Group.
- **Arrangement fees** for life settlements representing a percentage of the compensation paid to the broker arranging the settlement.
- **Administrative and service fees** paid by Member Firms for particular services provided by M Financial Group such as compliance fees, software applications, or other services.

## Compensation of Member Firms and Producers

The primary source of compensation for Member Firms and their producers is the traditional system of commissions and fees applicable to insurance agents, securities representatives and investment advisory representatives. In addition to the indirect compensation arrangements (described above) which Member Firms and their producers derive from membership in M Financial Group, Member Firms and producers typically receive from unaffiliated financial service providers some or all of the following compensation, as applicable:

- Commissions and other cash and non-cash compensation (sales incentives) paid by the unaffiliated insurance carriers with respect to products offered by the carrier.
- Renewal commissions from unaffiliated carriers for servicing and keeping in force policies previously purchased by clients.
- Commissions and fees for execution of securities transactions.
- Fees for providing investment advisory services.
- Percentage fees for facilitating settlements of existing life insurance contracts.



## Exhibit C: New Account Disclosures for Broker/Dealer and Investment Advisory Accounts

Compensation to Member Firms and their producers varies, depending upon, among other factors, the product type, the issuer, and the features and/or riders which are attached to the particular product.

M Financial Group and its subsidiaries receive additional compensation from and/or enter into reinsurance arrangements with numerous insurance carriers and financial service providers including, but not limited to: Advisors Asset Management, Allianz, American Funds, American General, Bank of New York (and its subsidiaries), Brinker Capital, Crown Global, Delaware Life, Equus Financial Consulting, Exceptional Risk Advisors, Global Benefits Group, Guardian Life, JP Morgan Asset Management, ING, John Hancock, Legg Mason, LifeSecure, Lincoln National, Lombard International, MedAmerica, the M Funds (i.e., M International Equity Fund, M Large Cap Growth Fund, M Capital Appreciation Fund, and M Large Cap Value Fund), Manulife (and its subsidiaries), MetLife, Mutual of Omaha, Nationwide Financial, New York Life, OneAmerica, PNC Financial Services, Pacific Life, Pershing, LLC (and its subsidiaries), Pan American, Penn-Mutual, Prudential, the SALI Funds (the Chairman of the M Financial Holdings Incorporated Board of Directors has a minority ownership interest in Main Management, a SALI subfund), The Standard, Sun Life Financial, Symetra, TIAA-CREF Financial Services, Transamerica, Unum Group, VOYA, Welcome Funds, West Corporations, and Worldwide Benefits LLC.

The subsidiaries of M Financial Group are as follows: M Life Insurance Company (dba M Financial Re), M Administrative Services, LLC, Management Compensation Group, Northwest, LLC (dba M Benefit Solutions), M Holdings Securities, Inc., M Financial Securities Marketing, Inc., M Financial Investment Advisers, Inc., M Financial Asset Management, Inc., M Financial Wealth Partners, Inc., M Insurance Solutions, Inc., M Subco, Inc., M Financial Bermuda, Ltd., M Financial Global Services, Ltd., and Management Partnership (dba M Marketing Company).

The above list of insurance carriers and financial service providers, as well as the list of M Financial Group subsidiaries, will change from time to time. Please review the lists periodically.

Some Member Firms have entered into arrangements under which they receive compensation directly or indirectly from managers of funds available as investment options under certain private placement variable insurance contracts. Please discuss with your Member Firm representative whether your Member Firm has such an arrangement in place.

### **Certain Potential Conflicts of Interest**

The culture of M Financial Group and its Member Firms is to serve the client. However, clients of Member Firms should be aware that the direct and indirect compensation arrangements described in this summary create economic incentives which could influence recommendations for particular financial products or services (including proprietary products referenced above). These incentives include, but are not limited to, the following:

- Commissions or other compensation in respect to one particular financial service provider, product, investment, or service may exceed commissions or compensation payable in respect to a comparable provider, product, or service.
- Certain policy features or riders may involve commissions or compensation that differ from compensation payable in respect to “base” or standard contractual features.
- Products or services which provide revenue, including override commissions or potential reinsurance profits, to M Financial Group could indirectly provide incentives to producers to recommend such products over similar products or services which do not provide revenue to M Financial Group.

M Financial Group, its Member Firms, and its Member Firms’ clients benefit from open discussions concerning all aspects of products, services, and the compensation of producers. If you wish, your Member Firm will discuss with you the types of direct and indirect compensation applicable to particular products or services.

For a list of M Financial Group subsidiaries, and the names of financial services providers from which M Financial Group receives payments or fees or with which M Financial Re maintains reinsurance agreements, please go to [www.mfin.com/DisclosureStatement.htm](http://www.mfin.com/DisclosureStatement.htm).



# Exhibit C: New Account Disclosures for Broker/Dealer and Investment Advisory Accounts

## Privacy Policy (Effective 6-12-2019)

FACTS	WHAT DOES M HOLDINGS SECURITIES, INC. (“M Securities”) DO WITH YOUR PERSONAL INFORMATION?
<b>Why?</b>	Financial companies choose how they share your personal information. Federal and state laws give consumers the right to limit some but not all sharing. Federal and state laws also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include your name along with:</p> <ul style="list-style-type: none"> <li>• Social security number and financial information</li> <li>• Driver's license and other government identification numbers</li> <li>• Contact information (such as physical and email addresses)</li> <li>• Signature information</li> <li>• Account balances and transaction history</li> <li>• Investment experience, assets and risk tolerance</li> <li>• Employment or professional information</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons M Securities chooses to share; and whether you can limit this sharing. Please note that we do not sell any personal information as part of our business.

Reasons We Can Share Your Personal Information	Does M Securities Share?	Can You Limit This Sharing?
<b>For our everyday business purposes</b> —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, to fulfill our regulatory obligations, report to credit bureaus, resolve customer disputes, or for institutional risk control	YES	NO
<b>For our marketing purposes</b> —to offer our products and services to you	NO	We don't share
<b>For joint marketing with other financial companies</b>	NO	We don't share
<b>For our affiliates' everyday business purposes</b> —information about your transactions and experiences	YES	NO
<b>For our affiliates' everyday business purposes</b> —information about your creditworthiness	NO	We don't share
<b>For our affiliates to market to you</b>	NO	We don't share
<b>For nonaffiliates to market to you</b> When the Representative servicing your account leaves M Securities to become associated with another broker/dealer or investment adviser, M Securities may share your personal information with the Representative and the other broker/dealer or investment adviser to facilitate the opening/servicing of your account.	YES	YES
<b>For nonaffiliates' everyday business purposes</b> When the Representative servicing your account uses one email address for the separate business purposes of M Securities and a nonaffiliate with which the Representative is associated, M Securities may share your personal information with the Representative and nonaffiliate to facilitate the servicing of your account.	YES	YES

<b>To Limit Our Sharing</b>	<ul style="list-style-type: none"> <li>• Call us at 866-272-1381, Option 1, between the hours of 8 a.m. and 5 p.m. Monday through Friday.</li> <li>• Write to us at M Securities, ATTN: Client Operations Team, 1125 NW Couch Street, Suite 900, Portland, OR 97209 The request should include your name, address, and account number.</li> </ul> <p><b>Please note:</b> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
<b>Questions?</b>	Call M Securities at <b>866-272-1381, Option 1</b>



# Exhibit C: New Account Disclosures for Broker/Dealer and Investment Advisory Accounts

## What We Do

<p><b>How does M Securities protect my personal information?</b></p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to personal information to select employees and agents who have a need for such information for business purposes only. All such employees are trained and required to safeguard such information. Companies we hire to provide support services are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.</p>
<p><b>How does M Securities collect my personal information?</b></p>	<p>We collect your personal information from you, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account or give us your income information</li> <li>• apply for insurance or enter into an investment advisory contract</li> <li>• seek advice about your investments or tell us about your investment or retirement portfolio</li> <li>• make deposits or withdrawals from your account</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, our affiliates, or other companies. We may also collect some information about you from publicly available resources.</p>
<p><b>Why can't I limit all sharing?</b></p>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>Some state laws also give you the ability to opt out of the sale of your personal information. As mentioned above, we do not sell your personal information to third parties.</p>
<p><b>What happens when I limit sharing for an account I hold jointly with someone else?</b></p>	<p>Your choices will apply to everyone on your account.</p>

## Your Privacy Rights

<p><b>What are they?</b></p>	<p>California law gives California residents additional rights regarding personal information. Those rights under California law include:</p> <ul style="list-style-type: none"> <li>• <b>Disclosure:</b> You can request information about the categories and specific pieces of personal information collected. You may also request information about the categories or sources from which the personal information was collected, the business purposes for collection, the business purposes for disclosure, the categories of third parties with whom we share personal information, and whether your personal information is sold to third parties.</li> <li>• <b>Erasure/Deletion:</b> Under certain circumstances, you can request we delete your personal information, if that personal information is no longer needed to provide our services to you, or in other limited circumstances.</li> <li>• <b>Third Party Marketing Disclosures:</b> California residents have the right to request information from us regarding the manner in which we share certain categories of personal information with third parties for their direct marketing purposes, in addition to the rights set forth above. Under California law, you have the right to send us a request at the designated address listed below to receive the following information:             <ol style="list-style-type: none"> <li>1. the categories of information we disclosed to third parties for their direct marketing purposes during the immediately preceding calendar year;</li> <li>2. the names and addresses of the third parties that received the information; and</li> <li>3. if the nature of the third party's business cannot be determined from their name, examples of the products or services marketed.</li> </ol> </li> <li>• <b>Non-Discrimination:</b> Under California law, you have the right to not be discriminated against should you choose to exercise your rights, such as in denying goods or services. We may offer certain incentives related to the collection or disclosure of your information as permitted by law.</li> </ul>
<p><b>To request further information about our practices/your rights:</b></p>	<ul style="list-style-type: none"> <li>• Call us at 866-272-1381, Option 1, between the hours of 8 a.m. and 5 p.m. Monday through Friday.</li> <li>• Write to us at M Securities, ATTN: Client Operations Team, 1125 NW Couch Street, Suite 900, Portland, OR 97209. The request should include your name, address, and account number.</li> </ul>
<p><b>Joint marketing</b></p>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p>

## Definitions

<p><b>Affiliates</b></p>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p>
<p><b>Nonaffiliates</b></p>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p>
<p><b>Joint marketing</b></p>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p>

## Other Important Information

**Privacy Pledge—Protecting Your Privacy and Security—At M Securities, your privacy is our priority.** Our relationship with you is our most important asset. We understand that you have entrusted us with your private financial information, and we do everything we can to maintain that trust. This Privacy Policy applies to consumers who are current or former clients, and refers to information that personally identifies you or your accounts as “personal information”. **We will provide you with prior notice of changes in our information-sharing practices.** If, at any time in the future, we plan to disclose any of your personal information to third parties other than as provided in this policy, we will send you, in advance, a revised privacy notice and provide you with a reasonable opportunity to opt out of the proposed disclosure. **We make every effort to keep your personal information accurate and up-to-date.** You may access and review your personal information. Please contact us at 866-272-1381 if you would like more information about this process. If you identify an inaccuracy in your personal information, or if you need to make a change to that information, please contact us so that we may promptly update our records and better serve you.