



Part 2A, Appendix 1 of Form ADV: Wrap Fee Brochure

WealthPursuit Classic
WealthPursuit Strategist
WealthPursuit Custom Separately Managed Accounts (“SMA”)
WealthPursuit Custom Unified Managed Accounts (“UMA”)
WealthPursuit Envoy
WealthPursuit Custom

Sponsored by

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This wrap fee brochure provides information about the qualifications and business practices of M Holdings Securities, Inc. (“**We**,” or “**Us**,” or “**M Securities**”). If you have any questions about the contents of this brochure, please contact us at (888) 520-6784 or MHScompliance@mfin.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about M Securities is also available on the SEC’s website at www.adviserinfo.sec.gov. You obtain information by entering our unique identifying number, known as a CRD number. Our firm’s CRD number is 43285. Registration does not imply a certain level of skill or training.

Item 2 Material Changes

For this filing and all future filings, this Item 2 will be used to provide people who select one or more of our Programs (“Client(s)”) with a summary of material changes that are made to the brochure since the last annual update.

This brochure is a combined brochure for M Securities’ wrap fee account Programs (“Combined Wrap Program Brochure”), and replaces M Securities’ previously filed Form ADV Part 2A Appendix 1 brochures which previously were filed separately for each respective Program, and were last updated on March 27, 2020 for our WealthPursuit Custom, Custom UMA, Custom SMA, Strategist, and Envoy Programs, and on March 30, 2020 for our WealthPursuit Classic Program. **This Combined Wrap Program Brochure includes a number of material changes since our prior Annual Updates, and Clients should review thoroughly, including the following new and/or enhanced disclosure items:**

- Disclosure of combined asset-level tier schedule tables across Programs with respect to the portion of the total Program Fee that is paid to Program service providers, so that Clients can more easily evaluate such structures across Programs and associated conflicts of interest. See Item 4 at Custodial Services – Execution Fee, at Platform Services and Overlay Services, and Use of Third-Party Money Manager Fees.
- Disclosure of combined asset-level tier schedule tables across Programs with respect to the portion of the total Program Fee that is paid to our Financial Professionals, so that Clients can more easily evaluate such structures across Programs and associated conflicts of interest, including those which may incentivize a Financial Professional to recommend different Programs at different asset tier levels based on Financial Fee schedules for the respective Programs. See Item 4 at Financial Professional Fee.
- Disclosure that while total Program Fees, including the Financial Professional Fee and Execution Fee components, are negotiable between Client and Financial Professional to meet the Client’s investment management needs, fees in excess of 2% are higher than other firms may charge in the industry, and that Clients should carefully consider and scrutinize such fees to ensure they are appropriate for the Client’s investment management needs. See Item 4 at Financial Professional Fee. See also Item 4 at Custodial Services - Execution Fee.
- Disclosure that with respect to Execution Fees that our Financial Professionals may, if they deem appropriate in their sole discretion, pay for certain Execution Fee costs on behalf of a Client for Funds and securities not purchased through Pershing’s FundVest Program, which may reduce Execution Costs and the total Program Fee. See Item 4 at Custodial Services – Execution Fee.
- Disclosure that M Securities assess a Retention Fee for each Member Firm based on an internal schedule with respect to all investment advisory fee revenue generated by the Member Firm’s Financial Professionals. See Item 4 at M Securities Compensation.
- Disclosure that Clients are encouraged to request and combine Program accounts (“Accounts”) maintained by separate family members into a “Family Billing Group”, and potentially qualify for fee discounts based on the combined assets of the Family Billing Group Accounts. See Item 4 at Calculation of Fees - Family Billing Group.
- Additional information pertaining to the impact of minimum annual Platform Fees on Accounts, for those Programs that charge Minimum Platform Fees. While these fees have previously been disclosed in the



Client Agreement and within each individual Wrap Brochure, the minimum Account values will be waived at M Securities discretion for opening or maintaining a Program Account, and that has a potential impact on Program Fee as a percentage of assets under management. See Item 4 at Minimum Platform Fee.

- Disclosure that M Securities maintains discretion to terminate Client Accounts that fall below required Program asset levels and that in such event, M Securities may convert such an Account into a self-directed brokerage account under certain circumstances. See Item 4 at Termination of the Program Account.
- Disclosure regarding risks associated with certain securities including inverse and leveraged ETFs, ETNs, and mutual funds as well as Alternative Assets. See Item 6 at Investment Strategies.
- Disclosure that M Securities will absorb the loss or gain that may result from a corrective action in Client Account, when M Securities is the cause for such corrective action. See Item 9 at Additional Information, Trade Corrections.



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Item 4 Services and Fee Compensation

GENERAL INFORMATION

M Securities is a SEC Registered Investment Adviser (“RIA”) with its principal place of business located in Portland, Oregon. M Securities began conducting business as an investment advisory firm in 2000. We are a wholly owned subsidiary of M Financial Holdings Incorporated, doing business as M Financial Group (“M Financial Group”). We provide services through a nationwide network of Investment Advisory Representatives (“Financial Professionals”) operating within independently operated businesses (“Member Firms”) associated with, and typically stockholders of, M Financial Group.

Financial Professionals serve as the primary point of contact between M Securities and the clients who elect to use the Program (“Client(s)”). Our Financial Professionals operate under their own Member Firm trade name and logo, which they use for marketing purposes. Clients should understand that even though Financial Professionals often operate under their own name or Member Firm name, when Financial Professionals offer or provide investment advisory services, including through our wrap fee Account programs, as discussed further below in this brochure, they are doing so through, and under the supervision of, M Securities. The Member Firm relationship is further disclosed in Item 9 of this brochure. M Securities is structured as an independent contractor financial services broker-dealer (“BD”) and RIA for Financial Professionals of Member Firms of M Financial Group. This structure allows our Financial Professionals to have the liberty to evaluate and recommend products and services that they believe will best help their Clients meet their financial goals and needs. M Securities and our Financial Professionals serve as a fiduciary to Clients with respect to our investment adviser services, including our Wrap Programs, as defined under applicable laws and regulations. As fiduciaries, M Securities and our Financial Professionals uphold a duty of loyalty, fairness and good faith toward each Client and seek to mitigate conflicts of interest.

Investment Advisory Services – Wrap Fee Account Programs

M Securities is the Sponsor of the WealthPursuit™ Wrap Fee Programs (each a “Program” or “Wrap Program” and together the “Programs” or “Wrap Programs”). M Securities has contracted with Envestnet Portfolio Solutions, Inc. (“Envestnet” or “Platform Provider”), an RIA and provider of wealth management software and services, to provide the operational and system support for the Programs. See Item 4 at Platform Services. There are six WealthPursuit Programs available, each of which offer a money management style, specialty focus, or philosophy that are described further below in this brochure. We make the Programs available to Financial Professionals, who may recommend the Programs to Clients.

A wrap fee program is a type of investment advisory program that provides Clients with asset management and brokerage services for one inclusive fee. Wrap fee programs are not the same as transaction-oriented brokerage accounts or investment advisory accounts in which separate fees and charges for investment advice and trade execution costs, including charges on a trade-by-trade basis, depending upon the advisory services. If Client chooses to participate in one of our Wrap Programs, Client will pay a single wrap fee (the “Program Fee”) that covers certain costs of the Program, including investment advice, platform fees, execution and clearing of transaction costs, and record-keeping services associated with the particular Program. The Program Fee will vary based on, but not limited to, the Program chosen, the amount of assets being managed, and the agreed upon rate negotiated with your Financial Professional. Certain other costs are not covered by the Program Fee and are described later in this brochure, as are schedules regarding the Program Fee associated with each Program. Please note that that additional third-party assessed fees typically are charged in addition to the Program Fee – see ADDITIONAL FEES, CHARGES, AND OTHER CONSIDERATIONS, below.

Prior to participating in one of our Programs, a Client will consult with his or her Financial Professional, who will obtain certain information from the Client including with respect to the Client’s assets and liabilities, investment objectives, earnings, financial needs, time horizon, risk tolerance, marginal federal and state tax rates, and any other pertinent

information (together “Client Information”). Based upon the Client Information, the Financial Professional will make investment recommendations to the Client based on suitability of the Programs, and Client will select the desired Program or elect to participate in more than one Program. In all of our Programs, prior to opening an Account, Client will be required to complete required documentation, which includes a Client Service Agreement (“Agreement”) and a Client Account Form (“CAF”). In addition, Clients will also be required to complete a risk questionnaire and statement of investment selection for participation in all of our Programs except the WealthPursuit Classic Program. The Agreement will detail the Program’s services, fees, and allow the Client to request reasonable restrictions on the management of Client’s Program Account (“Account”). Upon receipt of Client’s signature on all Program documentation, our Financial Professional will take appropriate actions to establish an Account.

As described further below in this brochure, different Programs offer different approaches to managing a Client’s Account assets. For example, in the WealthPursuit Classic and Custom Programs, Client appoints his or her Financial Professional to serve as the discretionary Portfolio Manager for the management of Client’s Account, including investing Client’s Account assets. In the WealthPursuit Custom UMA, Custom SMA, Envoy, and Strategist Programs, the Client’s Financial Professional will select third party RIAs to serve as discretionary money manager or model strategist for the management of trading in Client’s Account. For further information regarding the use of third-party money managers, see Item 4 at Use of Third-Party Money Managers and Associated Fees.

All of our Programs are managed on a discretionary basis, which means that the Client will authorize the applicable Portfolio Manager to manage the investment of Account assets on Client’s behalf without the need to seek prior consent from the Client. For all Programs, the Client directly owns the securities (e.g., mutual funds or exchange-traded funds (“ETFs”)) purchased within each of the Program’s investment strategies for the Client’s Account. Mutual funds, ETFs, closed-end funds, unit investment trusts and real estate investment trusts and ETFs are collectively referred to throughout this document generally as a “Fund” or “Funds.” Client’s Financial Professional and/or Portfolio Manager, as applicable, will provide ongoing monitoring of the Account in an effort to manage the Account according to the Client’s investment objectives. Client’s Financial Professional relies on the Client to notify him or her of any changes in the Client’s investment objectives and/or Client Information. Changes to Client Information can prompt changes relative to the management of, and investment strategy for, the Account. On at least an annual basis, Financial Professional will review the Account(s) with the Client to determine whether there have been any changes in Client Information and/or changes to restrictions the Client has requested to impose on the Account. Quarterly Performance reporting is offered and will be calculated according to industry standards and can be applied to each Account or combination of several related Accounts for a household’s or family’s assets.

The Program Fee for all Programs is subject to negotiation between the Client and the Financial Professional, and is limited to a maximum of 3% of Account assets under management. See information below regarding Program Fee Information and Minimum Annual Platform Fees. Additionally, certain components of the Program Fee such as the Financial Professional Fee and Execution Fee are also negotiable, see below at Program Fees; Financial Professional Fees, and at Custodial Services – Execution Fees.

DESCRIPTION OF PROGRAMS

WealthPursuit™ Classic

In the WealthPursuit™ Classic Wrap Fee Program (“**Classic**”), Client appoints his or her Financial Professional to act as the Portfolio Manager to direct the investment of assets in the Client’s Account on a discretionary basis. The Financial Professional, as Portfolio Manager, will control all investment decisions, trading, rebalancing, and day-to-day operation and servicing of the Account. The Financial Professional, acting as Portfolio Manager, is responsible for performing careful

review on each security purchased and ensuring that selected securities are suitable for the Account based upon the Client's investment objectives, financial situation and any restrictions imposed by the Client. The Financial Professional, as Portfolio Manager, will invest Account assets among individual stocks, options, bonds, Funds, other securities and cash or money market funds. The minimum amount of assets required to establish a Program Account is \$50,000. See Item 5, Account Requirements for additional information. See information below regarding Program Fee Information and Minimum Annual Platform Fees for this Program.

WealthPursuit™ Custom Program

The WealthPursuit™ Custom Wrap Fee Program (“**Custom**”) provides M Securities’ Clients with access to individual stocks, options, bonds, fixed-income products, Funds and other securities that are managed by the Client’s Financial Professional, as Portfolio Manager. In the Custom Program, the Client appoints their Financial Professional to act as the Portfolio Manager to direct the investment of assets in the Account(s) on a discretionary basis. The Custom Program allows the Financial Professional to utilize Platform Provider investment model management services to assist the Financial Professional in managing and offering investment models for use with Client Accounts. The Financial Professional, acting as Portfolio Manager, is responsible for performing careful review on each security purchased and ensuring that selected securities are suitable for the Account based upon the Client’s investment objectives, financial situation and any restrictions imposed by the Client. The Financial Professional can recommend and trade on a wide array of investment products and securities, chosen directly by the Financial Professional. Model portfolios are constructed and rebalanced at the direction of the Financial Professional using a web-based interface provided and supported by the Platform Provider, who additionally provides overlay management services to implement changes to a Client’s Account at the direction of the Portfolio Manager. The minimum amount of assets required to establish a Custom Account is \$50,000. See Item 5, Account Requirements for additional information. See information below regarding Program Fee Information and Minimum Annual Platform Fees for this Program.

WealthPursuit™ Custom UMA Program

In the WealthPursuit™ Custom UMA Wrap Fee Program (“**Custom UMA**”) the Client’s Financial Professional constructs a single portfolio by selecting the specific, underlying investment vehicles and asset allocations. The UMA enables the Financial Professional to combine the investment expertise of third-party money managers, ETFs and mutual funds into a single portfolio for the Account. A wide variety of investments are available to money managers for managing their portion of the Account’s assets, including equities, bonds, exchange traded notes and Funds. The Financial Professional can also act as a Portfolio Manager for a portion of Account assets in this Program through use of “sleeve” portfolios. The Financial Professional can use individual stocks or bonds in addition to Funds in the management of the “sleeve” portfolio. The Financial Professional is responsible for ensuring that selected securities and investment strategies used by third-party money managers are suitable for the Account based upon the Client Information and any restrictions imposed by the Client. Portfolio trading services are provided by Platform Provider, additionally Clients can choose to add Additional Overlay Services offered. Currently, an overlay to screen for control of large unrealized tax gains that are embedded in portfolios, and an overlay to screen for investing within a Client’s personal values are offered. Additional Overlay Services can change from time to time, and will be detailed in Client’s Agreement and are included in the Program Fee. See Item 4 at Additional Overlay Services for further information. The minimum amount of assets required to establish a Custom UMA Account is \$150,000; however, certain third-party money managers will establish their own minimums. See Item 5, Account Requirements for additional information. See information below regarding Program Fee Information and Minimum Annual Platform Fees for this Program.

WealthPursuit™ Custom SMA Program

WealthPursuit™ Custom SMA Wrap Fee Program ("**Custom SMA**"), provides Clients access to multiple third-party money managers with different investment styles. The Financial Professional has the discretion to direct Client assets to the SMA with different money managers, who will act as Portfolio Manager and direct the investment of assets allocated to their respective management. Clients have direct ownership of the securities in the SMA, which can allow for greater flexibility, and more control as compared with investing in mutual funds and ETFs or other pooled investment vehicles. Financial Professionals can also direct Client assets into established model portfolios and receive consultation regarding money managers from Platform Provider consulting team. The minimum amount of assets required to establish a Custom SMA Account is \$50,000; however, certain third-party money managers may establish higher minimums. See Item 5, Account Requirements for additional information. See information below regarding Program Fee Information.

WealthPursuit™ Envoy Program

WealthPursuit™ Envoy Wrap Fee Program ("**Envoy**") provides Clients with access to fully allocated, actively managed portfolios created by two selected money managers. Financial Professionals guide Clients in the selection of either the PMC Liquid Endowment Portfolios or the Blackrock/Envestnet Guided portfolios.

- The PMC Liquid Endowment Portfolios are a series of multi-manager accounts that, depending on the assets in the account, may include mutual funds, ETFs, independent money managers' models, and separately managed accounts. Envestnet chooses the different asset allocations, investment strategies and Funds for each of the Liquid Endowment Models. The models managed for the smaller asset accounts may only consist of mutual funds and ETFs while models for larger asset accounts will generally include mutual funds, ETFs, independent money managers' models, and separately managed accounts. The minimum account size for the PMC Liquid Endowment Portfolio is \$35,000. See Item 5, Account Requirements for additional information.
- Blackrock / Envestnet Guided portfolios combines the investment expertise of two asset managers into a single portfolio. This investment strategy delivers the benefit of traditional separately managed account in a single fully diversified portfolio. The minimum account size for the Blackrock / Envestnet Guided portfolio is \$10,000. See Item 5, Account Requirements for additional information.

Clients can choose to add Additional Overlay Services offered by Platform Provider. Currently, an Additional Overlay to screen for control of large unrealized tax gains that are imbedded in portfolios, and an Additional Overlay to screen for investing within a Client's personal values are offered. Additional Overlay Services can change from time to time, will be detailed in Client's Agreement and are included in the Program Fee. See Additional Overlay Services for further information. See information below regarding Program Fee Information.

WealthPursuit™ Strategist

WealthPursuit™ Strategist ("**Strategist**") provides access to asset allocation strategies of a variety of mutual fund and ETF third-party money managers. Each portfolio will consist of mutual funds or ETFs or a combination of both types of Funds to pursue different investment strategies and asset class exposures. Platform Provider makes these money managers available, provides the overlay management of the portfolios, performs administrative, and trade order placement duties pursuant to the direction of the asset manager. The money managers provide the models and construct the asset allocations and select the underlying investment for each portfolio on a non-discretionary basis. In this program, the Client and Financial Professional will select how to allocate assets between the money managers offered within the Program. The Platform Provider will replace money managers from time to time and cannot guarantee the continued availability of a particular model. The minimum amount of assets required to establish a Strategist Account is \$25,000; however, certain models and third-party money managers are permitted to establish

higher minimums. See Item 5, Account Requirements for additional information. See information below regarding Program Fee Information and Minimum Annual Platform Fees for this Program.

PROGRAM SERVICES AND FEES

Program Fee Information

Clients pay a single annualized Program Fee for participation in a Program, and that fee will not exceed 3%. The Program Fee is a wrap Account fee that is used to pay service providers, to include the Client's Custodian for their respective services and certain transaction execution costs, Platform Provider, the Financial Professional, and other money manager(s) for their respective services, and indirectly the Retention Fee assessed by M Securities to Member Firms. Clients within a Program will pay the Program Fee as one quarter of the annual fee, based on the value of the assets in the Account at four times during the year established on a calendar quarter basis. Certain components of the Program Fee are negotiable between the Client with their Financial Professional. Prior to establishing an Account, Program Fees will be detailed in writing in the Client's Agreement. Program Fees are collected from the Client's Account by Platform Provider and distributed to M Securities and the appropriate Program service providers.

Minimum Annual Platform Fees: The following Programs apply a minimum annual Platform Fee ("Minimum Platform Fee") for Accounts in the event that an Account's assets under management fall below certain levels. Only Programs listed below require a minimum fee.

- Classic = \$24 Minimum Platform Fee, with a maximum of \$300. Accounts with assets below \$184,615 will be charged the negotiated Program Fee, minus the Platform Fee, plus \$24 annually. Accounts with assets above \$2,308,000 will experience a decrease to the Program Fee by .013% annually, as the Platform Fee is limited to \$300.
- Custom = \$125 Minimum Platform Fee. Accounts with assets below \$113,636 will be charge the negotiated Program fee, minus the Platform Fee, plus \$125 annually.
- Custom SMA = \$150 Minimum Platform Fee. Accounts with assets below \$115,385 will be charged the negotiated Program Fee, minus the Platform Fee, plus \$150 annually.
- Strategist = \$50 Minimum Platform Fee. Accounts with assets below \$45,455 will be charged the negotiated Program fee, minus the Platform Fee, plus \$50 annually.

The Minimum Platform Fee will be charged as 25% of the minimum fee at each calendar quarter for the number of calendar days in the quarter. In such event, the total Program Fee expressed as a percentage of Account assets under management would be greater than the percentage agreed to between the Client and Financial Professional, and could potentially cause the total Program Fee to be greater than 3%. Please note that with Classic, Custom and Strategist, the amount of assets subject to the Minimum Platform Fee is greater than the minimum requirement to open and maintain an Account. M Securities addresses this issue reviewing Accounts and negotiated Program Fees and by requiring justification from our Financial Professionals for Accounts with higher Program Fees to ensure that the Program Account is appropriate for the Client.

Billing in Advance and in Arrears: Certain Programs also allow Clients to choose to have Program Fees billed in advance or arrears. The Client will make this choice when executing the Agreement.

- Program Fee In Advance: This Program fee is payable in the beginning of each quarter in advance based on the prior quarter's ending balance and prorated for the number of calendar days in the quarter. A new Account will have a start date to initiate the Program Fee determined by the latter of the date the Client executes the



Agreement, or the date Client assets are deposited to the Account. The initial Program Fee will be prorated for the number of calendar days in the quarter with the start date equal to one day. The initial Program Fee is billed one month following the Account start date based on the value of assets deposited to the Account. Contributions and withdrawals in excess of \$10,000 will be prorated for the number of days in the quarter with the contribution or withdrawal date equal to one. The Classic Program offers billing in Advance.

- **Program Fee In Arrears:** The Program Fee will be payable quarterly in arrears at the end of the first quarter we started to provide services. The Program Fee will be based on the average daily fair market value of assets in the Program Account for the number of calendar days in the quarter. Subsequent payments are then due and assessed each calendar quarter based on the preceding quarter's average daily balance of Program assets. Classic, Custom, Custom UMA, Custom SMA, Strategist and Envoy offer billing in Arrears.

Calculation of Program Fee: For purposes of calculating the Program Fee, on a quarterly basis the Platform Provider will cause the fair market value of Account assets to be determined in good faith by the Custodian. The Platform Provider will apply 25% of the agreed upon Program Fee to the average daily fair market value of the assets in the Program Account during the calendar quarter for accounts billed in Arrears, or it will be assessed on the value of the Account at quarter end for billing in Advance. Accounts opened or terminated during the quarter will be calculated pro-rata based on the number of days services were provided. The Client will authorize the Custodian to pay the Program Fee out of assets in the Account. Upon receipt of instructions from Platform Provider, the Custodian will withdraw the appropriate amount from the Account. The Program Fee is generally debited directly from the money market balance in the Account(s) and M Securities will sell shares of securities held in the Account in order to raise cash for the Program Fee if the money market balance is inadequate to cover the amount of the Program Fee. The sale of securities in taxable Accounts can create reportable gains or losses. All assets in Client's Account, including cash not invested into a security, will be included in the calculation of the Program Fee, unless agreed upon in writing with the Financial Professional.

- **Family Billing Group:** If a Client and Client's family members have more than one Program Account (a family "Billing Group"), Client may be able to lower the Program Fees based on the cumulative assets that members of the family Billing Group maintain in their Accounts relative to tiered fee component schedules reflected above. M Securities is not responsible for identifying Accounts eligible for combined fee calculation purposes. Accounts will be combined for Program Fee calculation only on the written request of Account holder. Additionally, M Securities does not combine fee calculations for advisory accounts outside of the Program in other wrap fee programs or other assets under advisement. This creates a conflict for M Securities and the Financial Professional because we have incentive to recommend different account types to different Client family members to avoid a Billing Group. We mitigate this conflict through this disclosure to you and encourage you to discuss Billing Group Programs with your Financial Professional.

Program Services

Below is a description of each Program service provider and costs associated for their services.

Custodial Services: Pershing LLC ("Pershing" or "Custodian") is a registered BD and the designated Custodian for our Programs. Custodian will maintain custody of Program Account assets and will execute transactions and perform the clearance for such transactions. The Custodian will perform custodial functions, among other things, including: (i) crediting of interest and dividends on Account assets; (ii) crediting of principal on called or matured securities in the Account; (iii) debiting the Program Fee from the Accounts; (iv) processing, pursuant to M Securities' instructions, of deposits to and withdrawals from Accounts; and (v) other custodial functions customarily performed with respect to securities brokerage accounts. Clients authorize the Custodian to execute orders from the Portfolio Manager on a discretionary basis. The

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

As discussed further under Item 9 and the Review of Account section below, the Custodian will forward confirmation of each purchase and sale to Client and to M Securities in accordance with applicable law. The Custodian allows for Clients to opt out of receiving individual confirmation by completing a form required by the Custodian and M Securities. In such case, Client will still receive statement with trade confirmation information summarizing activity. For each month in which activity occurs in the Client's Account (but no less frequently than quarterly), Account statements will be forwarded by the Custodian to the Client and to M Securities. If you do not receive such documents, please contact M Securities Compliance at (888) 520-6784 or MHSCompliance@mfin.com.

Custodial Services - Execution Fee: As noted above, Custodian provides execution and clearing services for transactions to the extent covered by the Program Fee. The Execution Fee in our Programs ranges from 0.00%-0.05% of total assets under management in the Account. The Execution Fee will be 0.00% for Funds invested through Pershing's FundVest Program, which is a no-transaction fee program in lieu of clearance charges. For Funds or securities invested by Custodian other than through the FundVest Program, a 0.05% Execution Fee will generally apply. For Clients whose Accounts are partially invested through the FundVest Program and partially through non-FundVest clearing channels, the Client's Account will in practice yield a blended average rate between the FundVest and non-FundVest assets between 0.00%-0.05%.

For example, if a Client were to agree to Program Fee of 2% for their Account, and the Account were to be invested in FundVest program Funds, the Execution Fee would be 0% and the total Program Fee would decrease by 0.05% to 1.95%. In contrast, if the Account were to be invested entirely in non-FundVest Funds and securities, the maximum Execution Fee would apply to the Account and the total Program Fee would remain 2%.

As noted above, the Custodian provides execution and clearing services for transactions to the extent covered by the Program Fee. The Execution Fee in our Programs ranges from 0.00%-0.05% of total assets under management in the Account. The Execution Fee will be 0.00% in certain Programs where the Financial Professional elects to pay for the Execution Fees on Client's behalf. The Financial Professional, in his or her discretion, may choose to pay for one Client's Execution Fees while allowing another Client to bear the Execution Fee, generally up to 0.05% of assets under management, included in the total Program Fee. If the Financial Professional elects to pay for the Client's execution charges, Client should understand that the Financial Professional Fee that the Financial Professional negotiates with the Client might be higher or lower than what they would have received if the Financial Professional chose not to pay the Execution Fee for the Account. Many factors can affect a Financial Professional's determination whether to pay for Execution Fees or allow the Execution Fee to be part of the overall total Program Fee. These factors include the frequency of trading activity, the types of securities products purchased and sold, and the use of no-transaction fee mutual funds and the amount of assets under management. The choice of whether to pay for Execution Fees in one Client's Account over another creates a conflict of interest for the Financial Professional and M Securities, because the Financial Professional has a financial incentive to trade less for Accounts or trade mutual funds that have no transaction fees where the Financial Professional has chosen to pay for the Client's transactions. The Financial Professional paying for transaction fees may benefit the client, if the Financial Professional determines that the number of transactions to maintain the Account may not warrant the client paying the .05% on total assets under management. In this scenario, the greater amount of assets under management, the more beneficial this option can be to Clients.

Clients should discuss with their Financial Professional the amount of transactions and types of securities to be transacted and carefully consider these factors. Financial Professionals who choose to pay execution charges are required to disclose this conflict to Clients, as well as the extent to which the choice impacts their investment recommendations. Clients should carefully consider and discuss with their Financial Professional the desired securities composition for the management of their Account and negotiate with their Financial Professional the Execution Fee component of total Program Fee accordingly.

Platform Services and Overlay Services: Investnet as the Platform Provider provides certain services to M Securities in connection with the Programs. Investnet is a SEC-registered investment adviser that provides an extensive range of investment advisory and other services to investment advisers such as M Securities and their clients. M Securities and Investnet are not affiliated. As the Sponsor of the WealthPursuit Programs, M Securities monitors Investnet's provision of Platform Provider services to our Programs to ensure that the services contracted for are being provided, and generally coordinates operational functions between M Securities and Investnet. M Securities may, in its sole discretion, change the platform service provider of any or all of our Programs.

Investnet operates the technology platform on which our Programs function and renders investment advice and administrative services to M Securities including, but not limited to:

- providing the technology platform through which Program activities occur;
- maintaining records of activity in Program Accounts;
- maintaining an electronic interface of Program Account data with the Custodian;
- calculating the Program Fee and instructing the Custodian to debit the Accounts accordingly;
- providing the Financial Professional and M Securities with quarterly performance reporting of the Client's Account;
- providing due diligence; "Approved" manager research, and performance analysis on money managers (except for Financial Professionals);
- Recommending manager and Fund selection; and
- Internet and Practice management support services.

Investnet, through its Platform, makes available to our Programs the services of third-party money managers who may not otherwise be accessible to Clients. "Approved" money managers on the Investnet Platform may be appointed by the Financial Professional and/or Client to provide third-party money manager services for a Client's Account. Investnet is responsible for conducting due diligence on each "Approved" money manager on its Platform. Investnet also provides "Available" money managers for selection. "Available" money managers, however, have not undergone selection, due diligence and oversight of program offerings by Investnet. Should M Securities, a Financial Professional, and/or Client request a specific money manager from the Investnet "Available" list, M Securities will be responsible for conducting due diligence and M Securities maintains sole discretion in determining whether to allow a requested Available money manager to provide Account services in our Program. For further information regarding the use of third-party money managers, see Item 4 at Use of Third-Party Money Managers and Associated Fees. Clients should also carefully review Investnet's Form ADV Part 2A brochure for further information regarding Investnet's due diligence processes with respect to its Approved third-party money manager list. Clients should also carefully review the Form ADV Part 2A brochures for third-party money managers they are considering with their Financial Professional for the provision of money manager services for their Accounts.

In addition, with the exception of the Classic Program, Investnet will also provide Overlay management services for Client Accounts, and place trades for Client Accounts at the direction of the Client's Financial Professional or third-party money manager appointed as Portfolio Manager for Client's Account. Investnet will determine on a discretionary basis the time

and amount of the trade to be executed on behalf of the Client in accordance with instructions received from the Portfolio Manager. Investnet provides administrative services to M Securities, and supervises and directs the investment of monies contributed by a Client to a Program Account on a discretionary basis. Clients should carefully review Investnet's Form ADV Part 2A brochure for further information with respect to Investnet's Overlay management services.

Below is the amount of the Total Program Fee that M Securities pays to Investnet for Platform Provider Services (exclusive of fees for Additional Overlay Services) rendered for our Programs:

Market Value	Classic	Custom	Custom UMA	Custom SMA	Envoy	Strategist
First \$500,000	0.013%	0.11%	0.13%	0.13%	0.13%	0.11%
Next \$500,000	0.013%	0.11%	0.12%	0.12%	0.12%	0.10%
Next \$2,000,000	0.013%	0.09%	0.105%	0.105%	0.105%	0.09%
Next \$7,000,000	0.013%	0.07%	0.085%	0.085%	0.085%	0.075%
Next \$10,000,000	0.013%	0.045%	0.045%	0.045%	0.045%	0.035%
Next amounts over \$20,000,000	0.013%	0.025%	0.03%	0.03%	0.03%	.035%

Additional Overlay Services Available from Investnet on an Optional Basis: For our Custom UMA and Envoy Programs, Investnet also allows Clients the option of choosing to add specialized tax and impact "overlay" services ("Additional Overlay Services") for their Accounts as described further below. For a Client who determines to select an Additional Overlay Service option for their Account, fees for the Additional Overlay Services will be included in the Program Fee, but can increase the amount of the total Program Fee as determined between the Client and Financial Professional when negotiating the Financial Professional Fee component of the total Program Fee. Investnet will receive payment of .10% of assets under management for Clients that choose Additional Overlay Services. Additional Overlay Services will vary between Programs and may change from time to time. Currently, Investnet offers within two Programs, an Additional Overlay to screen for control of large unrealized tax gains that are imbedded in portfolios, and an Additional Overlay to screen for investing within a Client's personal values:

- Tax Overlay Services provides a holistic and customizable solution for Clients who want to control and customize their realization of large unrealized gains that are imbedded in their portfolios, or for Clients who have other unique circumstances that require an individualized strategy. This service leverages Investnet's risk optimization software to attempt to match the risk characteristics of an unconstrained portfolio through optimization techniques. This service will help determine the appropriate asset allocation and manager models to establish the tax goals for the Client's Account.
- Impact Overlay Services provides a customizable solution for Clients to direct multiple Impact screens intended to align with a comprehensive representation of a Client's personal values.

For further information with respect to Investnet's Tax and Impact Overlay Services, Clients should carefully consider Investnet's Form ADV Part 2A brochure with respect to such services.

Financial Professional Fee: The Financial Professional Fee is shared between M Securities and the Financial Professional for providing the services described in this brochure to Program Clients. Our Program Fees are customizable with respect to the Financial Professional Fee component of the Program Fee, and will be individually negotiated between the Client and their Financial Professional up to certain maximum percentages specific to the Client's needs and the Financial Professional's services, and vary in most Programs relative to Account assets under management tiers. As such, Clients can negotiate the Financial Professional's portion of the Program Fee directly with their Financial Professional. This will cause the Financial Professional Fee, and as a result the total Program Fee, to vary from Client to Client and from Financial

Professional to Financial Professional. The total maximum Program Fee is limited to 3%. Prior to establishing an Account, Program Fees will be detailed in writing in the Client's Agreement.

The maximum Financial Professional Fee schedule is summarized in the table below to facilitate Client review and comparison across Programs:

Market Value	Classic (% up to)	Custom (% up to)	UMA (% up to)	SMA (% up to)	Envoy (% up to)	Strategist (% up to)
First \$500,000	2.937%	2.89%	2.62%	2.62%	2.85%	2.87%
Next \$500,000	2.937%	2.89%	2.63%	2.63%	2.86%	2.86%
Next \$2,000,000	2.937%	2.91%	2.645%	2.645%	2.875%	2.89%
Next \$7,000,000	2.937%	2.93%	2.665%	2.665%	2.89%	2.905%
Next \$10,000,000	2.937%	2.955%	2.705%	2.705%	2.935%	2.945%
Next Amounts over \$20,000,000	2.937%	2.975%	2.72%	2.72%	2.95%	2.945%

M Securities and Financial Professionals have a conflict of interest in that the Financial Professional Fee can be negotiated up to a higher level at the discretion of the Financial Professional in light of the range of services to be performed by the Financial Professional. Clients should carefully consider the services they require and negotiate their fee based on those services. M Securities addresses this conflict of interest by reviewing Program Accounts for suitability at opening, on a periodic basis for Account review as described further in Item 9 at Review of Accounts, by enforcing our Code of Ethics, through this disclosure to you, and by establishing a total Program Fee for Client Accounts that is limited to 3%.

At lower Account market value tiers and fees approaching the limits described above, M Securities and our Financial Professionals also have an incentive, and thus conflict of interest, to recommend Programs that permit the Financial Professional to negotiate higher potential Financial Professional Fees than in other Programs, in particular in the Classic Program. As Account market value tiers are reached, the Financial Professional Fee schedule may change and incentivize the Financial Professional to recommend a different Program. M Securities addresses this conflict of interest by reviewing Program Accounts for suitability at opening, through this disclosure to you, and our review of Accounts on a periodic basis as described further in Item 9 at Review of Accounts.

M Securities believes that each of our Clients has unique investment management and desired service needs from their Financial Professionals. Given the independent Financial Professional business structure of our network, we also believe that our Financial Professionals are best positioned to understand the unique needs of their respective client bases. As such, our Programs afford Clients and their Financial Professionals freedom of choice to work directly with one another to build the individualized level of service Clients seek, including to negotiate Program Fees up to 3% to accommodate each Client's service needs and objectives. Clients should note, however, that SEC regulatory guidance provides that the SEC considers investment adviser fees greater than 2% of total assets under management as excessive and/or higher than is normally charged in the industry. As such, because our Programs permit Clients and Financial Professionals to individually negotiate the Program Fee potentially up to 3%, our Program Fees can be, and depending upon the individual Client fee arrangement, will be, higher than is normally charged in the industry by other wrap program providers. Before accepting a Program Fee proposal from a Financial Professional, Clients should carefully consider the proposed Program Fee, including its variable components subject to negotiation, primarily the Financial Professional Fee and the Execution Fee.

While every Client's portfolio management needs and objectives are different, Clients should in particular strongly scrutinize a proposed Program Fee that would be in excess of 2% of Account assets under management to ensure that it is appropriate for their needs in light of the Client's expected level of and complexity of services and investment strategies



they seek for their Accounts. When considering a potential Program Fee proposal, Clients should carefully consider and negotiate with their Financial Professional relative to a range of factors, including but not limited to:

- the level of assets the Client intends to maintain under management in the Program;
- whether the Client's Account is part of a family Billing Group and is eligible for a Billing Group discount;
- the overall business relationship and level of business the Client maintains with M Securities and the Financial Professional for investment advisory, brokerage, or other services, both as part of and outside of the Program;
- the complexity of assets, investment management styles and strategies the Client desires the Financial Professional to provide in managing the Account;
- the desired level of interaction the Client expects to have with the Financial Professional with respect to the Account as higher levels of interaction may cause a Financial Professional to seek to increase the Financial Professional Fee component; and
- any other factors or considerations the Client considers important or unique to the Client in determining a Program Fee which the Client would deem acceptable and appropriate for the Client's needs and investment objectives.

Use of Third-Party Money Managers and Associated Fees: Certain Programs such as the UMA, SMA, Envoy, and Strategist Programs allow Financial Professionals, depending on the Account asset levels requirements and the individual investment objective of the Client, to select from an Investnet Platform roster of "Approved" third-party money managers. "Approved" money managers have undergone a due diligence screening and oversight by Investnet. For further information, Clients should carefully consider Investnet's Form ADV Part 2A brochure for information with respect to Investnet's due diligence processes and criteria for "Approved" money managers for inclusion on its Platform.

The Financial Professional and/or Client are allowed to select third-party money managers from the "Approved" list to provide portfolio management services for the Client's Account, that range from managing individual securities within a separately managed account according to a pre-set investment philosophy or style, to utilizing model portfolios that have been strategically created by the money manager.

- A separately managed account ("SMA") is a portfolio of individually owned securities that can be tailored to fit a Client's investing preferences. Investnet will assist Financial Professionals in identifying individual money managers and investment vehicles that correspond to the proposed asset classes and styles, or Financial Professionals will independently identify money managers. Investnet retains the money managers as third-party money managers for portfolio management services in connection with the SMA program through separate agreements entered into between Investnet and the money manager on terms and conditions Investnet deems appropriate for their participation in the Investnet Platform.
- Some third-party money managers act as a model strategist provider, and construct and provide asset allocation models. These models often utilize the underlying Funds advised by the money manager. In such situations, the model provider or its affiliate(s) will receive fees from the Funds for serving as investment advisor or other service provider to the Fund (as detailed in the Fund's prospectus). These fees will be in addition to the management fees that the money manager receives for its ongoing management of the models and creates a financial incentive for the money manager to utilize their Funds. Clients should discuss any questions with or request further information from their Financial Professional concerning the conflict of interest this creates.

The Program Fee that Client negotiates with their Financial Professional will include fees paid to third-party money manager(s) providing investment management services for the Client's Account, and will range depending upon the

services provided and the money managers(s) selected. Below is a range of fees associated with the Envestnet Platform “Approved” roster of money managers allowable for use within each Program.

Market Value	Custom UMA	Custom SMA	Envoy	Strategist
First \$500,000	0.25% - 0.60%	0.25% - 0.60%	.02% - .45%	0.02% - 0.60%
Next \$500,000	0.25% - 0.60%	0.25% - 0.60%	.02% - .45%	0.02% - 0.60%
Next \$2,000,000	0.25% - 0.60%	0.25% - 0.60%	.02% - .45%	0.02% - 0.60%
Next \$7,000,000	0.25% - 0.60%	0.25% - 0.60%	.02% - .45%	0.02% - 0.60%
Next \$10,000,000	0.25% - 0.60%	0.25% - 0.60%	.02% - .45%	0.02% - 0.60%
Next Amounts over \$20,000,000	0.25% - 0.60%	0.25% - 0.60%	.02% - .45%	0.02% - 0.60%

ADDITIONAL FEES, CHARGES, AND OTHER CONSIDERATIONS

The Program Fee may cost the Client more or less than the cost of purchasing each service included separately, if available. Other RIAs may charge a higher or lower fee for giving advice concerning securities, and may or may not offer the other services available in the Programs. In addition, depending upon the frequency of trading in an Account, brokerage and/or clearing fees could be higher or lower if purchased separately. A Client could direct their investments on their own without our services or could elect to obtain investment advice without monitoring via an agreement with us and then direct their own investments. However, the Client would not receive the full services provided by M Securities and our Financial Professionals, which are designed, among other things, to both assist the Client in determining which asset allocations are most appropriate to the Client’s financial condition and objectives, and provide ongoing monitoring of Client’s Account. Client should discuss these options with their Financial Professional and in all cases, the Client should review the fees charged by M Securities to fully understand the total amount of fees to be paid, and thereby evaluate the advisory services being provided. M Securities offers a wide variety of advisory services aside from Wrap Fee Programs and Clients should discuss services with their Financial Professional prior to engaging M Securities for services. Clients can find additional information within the M Securities Form ADV 2A available at www.adviserinfo.sec.gov. M Securities Client Relationship Summary (Form CRS) is available at www.mfin.com/m-securities.

There will also be other fees and costs assessed to Clients that are not part of the Program Fee. These fees and costs are described below.

- **Custodial Fees:** Clients can incur certain charges imposed by custodians for Account maintenance that are in addition to the Program Fee. The Program Fee does not include fees or costs incurred for products or services that are not part of the Program Fee including, but not limited to: mark-ups, mark-downs; spreads paid to market makers; electronic fund transfer and wire fees; IRA and qualified retirement plan Account fees; termination fees; transfer fees; the costs of the operating expenses of the mutual funds, including exchange-traded funds and money market funds, as well as any applicable shareholder fees assessed by such funds or charges; and taxes currently imposed by governmental authorities, self-regulatory bodies, transfer agents and other outside entities with respect to securities transactions (including, but not limited to SEC Section 31 transaction fees, Depository Trust Company fees, redemption and transfer fees) (collectively, “**Additional Costs**”); and any brokerage commissions or other charges imposed by BDs or entities other than Pershing (i.e., “step-out trading” costs) in the event the Portfolio Manager, Envestnet when it provides Overlay Management Services, or other third-party money managers with discretionary trading authority for a Client’s Account were to determine that it would be consistent with their duty of best execution to execute particular trades away from Pershing. Clients will separately bear these Additional Costs.



- **Mutual Fund and ETF Fees:** All fees paid to M Securities for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each Fund's prospectus. These fees will generally include a management fee, other Fund expenses, and a possible distribution fee. If the Fund also imposes sales charges, these charges will be suppressed. However, if a Client transfers previously purchased mutual funds into a Program Account, and there is an applicable contingent deferred sales charge or redemption fee on the Fund, Client will pay that charge when the mutual fund is sold. In no case should the Financial Professional receive any commissions. However, M Securities may receive other fees (e.g., finders fees) associated with mutual fund transactions. Finder Fees are distributed to BDs in lieu of a load on A shares. If a Client purchases a load-waived A Share in an advisory Account, it is possible that M Securities would receive a finder's fee. M Securities returns any such revenue received to the Client.

Please note that a Client could invest in a mutual fund directly, without our advisory services. When purchasing directly with a mutual fund company, except when purchasing American Funds F-2 share class mutual funds, the Client would not receive the full advisory services provided by M Securities which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to the Client's financial condition and investment objectives, combined with ongoing Account monitoring. In all cases, the Client should review the fees charged by the Funds and the fees charged by M Securities to fully understand the total amount of fees to be paid, and thereby evaluate the advisory services being provided.

- **Mutual Fund Share Classes:** In many instances, We make available mutual funds in our Programs that offer various share classes. Not all mutual funds have the same share classes available. 12b-1 fees are also known as a distribution and service fee. While each mutual fund prospectus indicates whether the share class invested charges a 12b-1 fee, some share classes typically charge 12b-1 fees while others do not. For illustrative purposes, Class A Shares typically charge a 12b-1 fee and Class I Shares do not charge a 12b-1 fee. As a result, it is typically more expensive for the Client to own Class A Shares than Class I Shares (exclusive of any associated advisory fee). In an effort to reduce the financial incentive to recommend a mutual fund share class that charges a 12b-1 fee, M Securities' reimburses the Client's Account with any 12b-1 fee charged. Note that some mutual funds will offer both Class A, Class I Shares and other lower expense share classes, but in other instances, a mutual fund may offer only Class A Shares. The availability of a lower-cost share class is fund specific and not all Class I Shares may be available for investment due to investment minimums and other fund-specific requirements.

M Securities Compensation: M Securities and our Financial Professionals receive compensation as a result of Client participation in the Program, as set forth in the Financial Professional Fee section of each Program Fee Schedule listed above. Program Fees provide a financial incentive for M Securities and the Financial Professional to recommend the Program. The amount of compensation under the Program may be more or less than what the Financial Professional would receive if Client paid separately for investment advice, brokerage and other services. M Securities and our Financial Professional have a financial incentive to recommend the Program over other programs or services offered by M Securities which would provide less remuneration. We address this conflict through this disclosure to you and initial review of the suitability of the Program for the Client.

M Securities is compensated indirectly by assessing the Member Firms, and thus their Financial Professionals, a retention fee ("Retention Fee") based on the quarterly amount of total investment advisory fee revenue generated by each Financial Professional within the Member Firm. M Securities calculates the total amount of each Member Firm's Financial Professional quarterly fee revenue based on a combination of a sliding scale percentage of the Member Firm's Financial Professional quarterly fee revenue (higher percentages at lower thresholds) and a set dollar amount increasing with tiered levels of revenue. M Securities retains an amount based on the Retention Fee schedule and pays the balance to the Financial Professional. As a result of the Retention Fee, M Securities has a conflict of interest as the Program Fee may

result in greater fee revenue generation, and thus increase the amount of the Retention Fee assessed, based on the amount of the Financial Professional Fee that may be negotiated between a Client and their Financial Professional. The Financial Professional is incentivized to place additional Client assets into Programs to reduce the Financial Professional's overall retention percentage and to generate revenues for Financial Professional's Member Firm to qualify or remain affiliated with M Financial. Additionally, M Securities charges our Member Firms for our services associated to providing supervision, compliance, registration and professional insurance to Financial Professionals. We mitigate these conflicts through this disclosure to you.

Because conflicts of interest and the way we earn money is inherent in our business, M Securities also addresses these conflicts of interest by reviewing Program Accounts for suitability at opening, on a periodic basis for Account review as described further in Item 9 at Review of Accounts, by enforcing our Code of Ethics, and by establishing a Total Program Fee for Client Accounts is limited to 3%. Additionally, both M Securities and all Financial Professionals must comply with applicable state investment adviser registration requirements and applicable state and federal securities laws and rules.

Termination of the Program Account: Either M Securities or the Client may terminate the Agreement upon written notice to each other, as detailed within the Agreement. At that time, any unearned Program Fees previously deducted will be returned to Client if Client paid fees in advance. If Client pays fees in arrears, the amount of the pro-rata Program Fee and any other fees and charges due through the effective date of termination are due and payable prior to any assets being transferred to another custodian or delivered to Client, including any applicable termination fees as provided for in the Client's Agreement. Upon termination of the Program Account, Client must provide direction to M Securities on how to transfer Client's assets upon termination of the Account, as we will not be under any obligation with regard to the assets in the Account. In the event Client were to not provide transfer instructions upon Account termination, Client's Account will be converted from a Program Account to a self-directed brokerage account, maintained at Pershing as Clearing Broker and with M Securities as the Introducing Broker. In such event, assets in the brokerage account will not be actively managed, securities transactions effected in the account and other brokerage account services will be subject to M Securities standard brokerage commission rates and charges. However, subject to any law or regulation to the contrary, M Securities retains the right to liquidate Client holdings and provide the proceeds to Client if Client fails to provide us with written instructions regarding any assets held in the Account.

The death, disability or incompetence of Client will not terminate or change the terms of our Agreement. However, in the event of Client's death, permanent disability or incompetence, Client's executor, guardian, attorney-in-fact or other authorized representative is allowed to terminate the Agreement by giving written notice to M Securities. Until we receive such notice, accompanied by all legally required documentation, M Securities will continue to provide Program services to the Client's Account, and Client's Account will be charged Program Fees for the services, consistent with the terms of the Agreement.

If Client's Financial Professional should leave M Securities, we will notify Client and work to reassign Client's Account to another Financial Professional, who could be associated with a different Member Firm. If we cannot find a Financial Professional to service Client's Account, we can, in our sole discretion, terminate the Agreement as outlined in this section.

Item 5 Account Requirements and Types of Clients

Account Requirements: Client signature and execution of Program documents will be required prior to opening and investing any Client funds in a Program. Account acceptance and set up on the Account can take several business days to complete. Clients should also be aware that there are minimum amounts of assets required to establish a Program Account

that vary depending upon the Program chosen. Below is each Program's minimum Account size requirement to participate:

Program Name	Minimum Requirement
Classic	\$50,000**
Custom	\$50,000**
Custom UMA*	\$150,000
Custom SMA*	\$50,000
Envoy*	\$10,000
Strategist*	\$25,000**

*Stated minimums in the Custom UMA, Custom SMA, Envoy, and Strategist Programs are also subject to money manager minimums. Account minimums can be negotiable under certain circumstances. Clients should discuss minimum Account requirements with their Financial Professional.

**Please see Item 4 at Minimum Annual Platform Fees, as these Programs have a Minimum Platform Fee that will apply to balances that exceed the minimum requirement to open and maintain an Account, which will result in an increase to the Total

Program Fee.

If a Client's Account falls below the minimum Account size, the Account is subject to termination by M Securities, at its sole discretion. Clients are allowed to add assets to an Account at any time. Clients are allowed access to their funds for the purpose of making withdrawals at any time. Clients should allow adequate time for processing withdrawals, as securities may need to be sold in order to accomplish a withdrawal request, and it will take several days for the Financial Professionals to process and settle transactions and request funds according to the custodian requirements.

If Client does not meet a minimum Account size established by a specific money manager, but desires the money manager's services, Client can work with their Financial Professional to request an exception. Exceptions in these cases to the Account minimums will be made upon money manager's approval and M Securities' approval and will take into consideration suitability based on fees and costs of the Program.

Types of Clients: M Securities provides investment advisory services to a wide variety of Clients including, but not limited to: Individuals, charitable organizations, corporations, and other business entities, retirement plans (including 401(k) plan sponsors and pension plans) and trusts.

Item 6 Selection and Review of Portfolio Manager

M Securities' Product Due Diligence committee evaluates its third-party service providers' due diligence process, including Investnet's overall selection and approval process of money managers Approved for participation on its Platform and if selected for a Client Account, will be used to provide money management services for Client Accounts within our Program.

Several of our Programs allow the Client's Financial Professional to act as Portfolio Manager for the Client's Account. Other Programs allow the Financial Professional at the Financial Professional's discretion to appoint and replace independent third-party money managers to act as Portfolio Manager in order to meet the Client's investment objectives. Prior to making a determination of how Client assets will be managed, Financial Professionals obtain financial information from Client to determine the suitability and appropriateness of the Program or other M Securities Investment Management Services. The Financial Professional is responsible to ensure that the investment strategy recommended is suitable for Client based upon the stated investment objectives and Client Information.

M Securities Financial Professional as Portfolio Manager: Our Financial Professionals have the ability to serve as Portfolio Manager for a Client's Account within several of our Programs. In such Programs, the Financial Professional, as Portfolio Manager, is the Client's representative and is responsible for performing careful review of each security purchased for an Account and ensuring that selected securities are suitable for the Account based upon the Client's investment objectives,

financial situation and any restrictions imposed by the Client. Financial Professionals are responsible for conducting independent research and analysis on securities they use in client portfolios and are further restricted to an approved product list for certain products such as, but not limited to, alternative investment products, opened ended and closed ended mutual funds, in which M Securities has conducted due diligence and provides ongoing monitoring.

Financial Professionals are not subject to the selection and review process as third-party money managers who provide services in these Programs. Neither M Securities nor Investnet reviews the performance of the Financial Professional as Portfolio Manager, nor are there any standards used to calculate the performance of Financial Professional as Portfolio Manager. This is due to the customized nature of the financial strategy negotiated between the Client and Financial Professional. If Client does not believe Client's portfolio requires customization, or Client's needs can be met by a Portfolio Manager who does publish performance, Client should discuss that option with Financial Professional. Investnet provides Account level performance-reporting services to the Financial Professional and to M Securities for the Client's Account. Performance reporting is calculated according to industry standards and is applied to each Account or combination of several related Accounts for a household's or family's assets. M Securities does not validate information or data provided on the Account level performance report produced by Investnet.

When a Financial Professional is the Portfolio Manager for an Account, instead of using a third-party Portfolio Manager, the Program Fees provide a financial incentive for the Financial Professional to recommend such a Program, creating a conflict of interest for M Securities and the Financial Professional when we recommend the Program to Clients. We address this conflict through enforcement of our Code of Ethics and through this disclosure to you. Additionally, all Financial Professionals must comply with applicable state investment adviser representative registration requirements. For more information about your Financial Professional, Clients should refer to the Form ADV Part 2B Brochure Supplement for their Financial Professional which is provided at Account opening, and will be provided again if the Financial Professional is replaced or changed for a Client's Account.

Third-Party Portfolio Managers: In certain of our Programs, third-party money managers will be selected from Investnet's Platform to provide Portfolio Manager services for an Account. Investnet is responsible for performing due diligence on the money managers it offers from its "Approved" manager list through the Investnet Platform. The Financial Professional and M Securities have responsibility for evaluating the money manager on the "Approved" list and assessing if the money manager and strategy is suitable for a particular Client based on the Client's investment objective and Client Information. In circumstances where a third-party money manager does not appear on Investnet's "Approved" Platform roster, but is instead on Investnet's "Available" list, M Securities would be responsible for performing due diligence on such money manager before approving the money manager to provide investment management services for Program Clients and their Accounts.

M Securities is responsible for performing due diligence on mutual funds and non-traded securities, prior to making them available to Financial Professionals, and has approved all quantitatively and qualitatively approved Funds on the Investnet Platform approved list.

M Securities does not review the performance of third-party money managers as Portfolio Manager, nor are there any standards used to calculate the performance of money managers as Portfolio Manager. Investnet provides Account level performance-reporting services to the Financial Professionals and to M Securities for the Client's Account. Performance reporting is calculated according to industry standards and is applied to each Account or combination of several related Accounts for a household's or family's assets. M Securities does not validate information or data provided on the Account level performance report produced by Investnet.

Other Advisory Business: M Securities offers a variety of investment advisory services outside of the Program. Please see the M Securities Form ADV Part 2A Firm Brochure, Item 4 for a complete listing of other investment advisory services.



These services vary from the Program, and Clients should discuss all options with their Financial Professional prior to selecting a service and entering into an Agreement. The Financial Professional can provide Client with the M Securities ADV Firm Brochure or it can be accessed at www.mfin.com/m-securities, by calling (888) 520-6784 or by emailing MHScompliance@mfin.com. For all advisory services, M Securities retains a portion of fee earned by the Financial Professional.

M Securities does not offer any investment advisory services under performance-based fee arrangements, nor does it employ side-by-side management. Additionally, M Securities does not vote proxies on behalf of our advisory clients, nor do we offer any consulting assistance to clients regarding proxy issues.

Reasonable Restrictions: Client may request Financial Professional impose reasonable investment restrictions on their Account, including by directing Financial Professional to not purchase or liquidate certain securities in the Account or hold excess cash levels from investing in Account. Each request for a restriction by a Client must be approved by the Financial Professional in advance and at their discretion. Client should be aware that restrictions on Accounts may positively or negatively affect the Account performance, and Clients must inform their Financial Professional in writing when the Client no longer desires to impose the restriction.

METHODS OF ANALYSIS

Portfolio Managers use a variety of analysis methods when selecting securities and/or managing Client assets. As a firm, we do not favor any specific method of analysis over another. Below are some of the common approaches that can be used in providing advice and a non-exhaustive list of potential shortcomings of each method:

- *Fundamental Analysis:* This is an attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself). It is used to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.
- *Technical Analysis (or Charting):* Past market movements are analyzed and that analysis is applied to the present in an attempt to recognize recurring patterns of investor or other market behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that investments in a poorly-managed or financially unsound company may underperform regardless of market movement.
- *Cyclical Analysis:* In this type of technical analysis, the movements of a particular security are measured against the overall market in an *attempt* to predict the price movement of the security. A risk in using cyclical analysis is that the overall market is subject to change and we may incorrectly identify where we are in the business or economic cycle.
- *Quantitative Analysis:* Mathematical models are used in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.
- *Qualitative Analysis:* This is subjective evaluation of non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that subjective judgment may prove incorrect.



- *Mutual Fund and/or ETF Analysis:* The experience and track record of the manager of the mutual fund or ETF is reviewed in an attempt to determine if that manager has demonstrated an ability to invest better than his or her peers over a period of time and in different economic conditions. Underlying assets in a mutual fund or ETF are also reviewed, in an attempt to determine if there is significant overlap in the underlying investments held in other securities in the Client's portfolio. An ongoing monitoring of the funds or ETFs is made, in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager will deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the Client's portfolio.

- *Money Manager Analysis:* Prior to approving a new money manager, the experience, expertise, investment philosophies and past performance of that money manager is examined in an attempt to determine if the manager has demonstrated an ability to invest better than his or her peers over a period of time and in different economic conditions. Underlying holdings, strategies, concentrations and leverage may also be reviewed as part of an overall risk assessment.

A risk of investing with an asset manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party asset manager's portfolio, there is also a risk that an asset manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the asset manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

All securities analysis methods rely on the assumption that the companies whose securities are recommended for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. There is always a risk that any analysis is compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

Portfolio Managers can use the following strategies in managing Client Accounts, provided that such strategies are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance and time horizon, among other considerations:

- *Asset Allocation:* Rather than focusing primarily on securities selection, an attempt to identify an appropriate ratio of securities, fixed income and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the Client will not participate to the same degree in sharp increases in a particular security, industry or market sector as an investor with more concentration. Another risk is that the ratio of securities, fixed income and cash will change over time due to stock and market movements, and, if not corrected, will no longer be appropriate for the Client's goals.
- *Diversification versus Concentration:* Diversification within a portfolio of investment strategies, securities or managers will tend to reduce the overall risks and returns of a portfolio when one strategy or security does not perform as well as another. Concentration within a portfolio of investment strategies, securities or managers will tend to increase the

overall risks and returns of a portfolio since any gains or losses in a particular holding will not be buffered by other holdings that perform differently.

- *Long-Term Purchases:* A recommendation is made on the purchase of securities with the idea of holding them in the Client's Account for a year or longer. Typically, this strategy is used when there is a belief the securities are currently undervalued, the Client wants to take advantage of long term tax rates or there is a desire for exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, the Client will not take advantage of short-term trading strategies that could be profitable, or that a security declines sharply in value before the decision to sell.
- *Short Sales:* Upon approval from M Securities, a Client can borrow shares of a stock, typically for a price, from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold by a short seller. On the agreed-upon future date, the seller buys the same stock and returns the shares to the original owner. Clients engage in short selling based on their belief that the stock will go down in price after they have borrowed the shares. If the price to rebuy the stock plus the lending fees and transaction costs are less than the price when the shares were borrowed, the Client Account realizes the profit. If the shares instead rise in value, the Client Account incurs a loss.
- *Margin Transactions:* Upon approval from M Securities, a Client is permitted to purchase securities with money borrowed from the Custodian. This allows the purchase of more securities than would be possible with the Client's available cash, and can allow the Client to purchase stock without selling other holdings. Clients investing on margin to buy more securities tend to amplify the returns or losses in their Account. They are also responsible for paying Margin interest.
- *Use of Options:* Upon approval from M Securities, a Client and a Portfolio Manager are permitted to use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are Calls and Puts:

- A Call gives a Client the right to buy an asset at a certain price within a specific period of time. A Client utilizing this strategy will buy a Call if they believe the stock will increase substantially before the option expires or sell a Call if they believe the stock will decrease substantially before the option expires.
- A Put gives a Client the right to sell an asset at a certain price within a specific period of time. A Client will buy a Put if they believe the stock price will fall before the option expires or sell a Put if they believe the stock price will rise before the option expires.

Options can be used to speculate on the possibility of a sharp price swing. Options can also be used to "hedge" a purchase of the underlying security; in other words, to limit the potential upside and downside of a security. Clients can use "Covered Calls" to sell a Call on security which they own. In this strategy, the Client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the Client at an agreed-upon price.

If appropriate, a Client is permitted to also use a "spreading strategy", in which the Client purchases two or more option contracts (for example, a Call option that is purchased with certain attributes, and a Call option that is sold with different attributes) for the same underlying security. In this strategy the Client is seeking to profit from specific changes in price, time and other factors related to the underlying security.



- *Inverse and Leveraged ETFs, ETNs and Mutual Funds:* Leveraged products are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide a multiple of the opposite of the return of the underlying index, also typically on a daily basis. These products have a multiplier effect and are therefore considered riskier and more volatile; creating larger positive and negative swings on return that often are magnified over time. These products are not designed as buy and hold securities, but instead traded on a short-term basis, typically daily. For additional product risk and expense information, please carefully review the products' prospectus.

RISK OF LOSS

Investing in securities involves risk of loss that a Client should be prepared to bear. Securities investments are not guaranteed and Clients may lose money on investments. Clients should work closely with their Financial Professional so that he/she has a complete understanding of Client's tolerance for risk. Clients seeking to reduce risk in their portfolio are encouraged to discuss diversification in their Account, the use of Asset Allocation strategies, the purchase of Puts related to securities they own, and other strategies with their Financial Professional. There is no guarantee that any recommendations or asset management approach will meet a Client's investment objective over any given time frame. The following types of risks may significantly affect the performance of your Portfolio:

- *Equity Risk:* Strategies that invest in equities involve the risk that the value of equity securities, such as common stocks and preferred stocks, decline due to general market conditions, which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- *Foreign Securities Risk:* Strategies that invest in international securities involve special additional risks, including: currency risk; political risk; risks associated with varying accounting standards; and the risk that adverse legal, political, or economic developments, as well as international trade, trade barriers, and exchange controls adversely affect the securities of companies located in such countries. Investing in emerging markets may accentuate these risks.
- *Small Cap Risk:* Strategies that invest in small capitalized companies involve risks, including relatively low trading volumes, a greater degree of change in earnings, and greater short-term volatility. Smaller companies typically have a higher risk of failure and are not as well established as larger blue-chip companies.
- *Value or Growth Stock Risk:* Strategies that invest in value or growth stocks can perform differently from the market as a whole and from other types of stocks and can be more volatile than other types of stocks.
- *High Yield Risk:* Strategies that invest in high-yield bonds invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. Clients should be aware of the possible higher level of volatility and increased risk of default.
- *TIPS Risk:* Strategies that invest in Treasury Inflation Protected Securities ("TIPS") involve risks, including risk of loss in periods when "real" interest rates (current interest rate minus inflation rate) change substantially. TIPS are bonds issued by the U.S. Treasury that have a fixed rate of interest and principal that adjusts according to changes in the Consumer Price Index ("CPI").
- *Municipal Risk:* Municipal investment strategies can be affected by adverse tax, legislative or political changes and the financial condition of issuers of municipal securities.



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

Item 7 Client Information Provided to Portfolio Manager

Your Financial Professional will collect Client Information from Client prior to opening an Account. Certain Programs require the Client to complete a detailed questionnaire that will assist and guide Client in determining Client’s appropriate investment objectives and risk tolerance. Client’s risk tolerance and objectives assist Financial Professional in recommending the Portfolio Manager, who depending upon the Program may be Client’s Financial Professional if Client

chooses to appoint Client's Financial Professional as Portfolio Manager. Generally, specific Client information is not provided to third-party money managers.

Financial Professionals will review at least annually, the Client Information with the Client, to include Client's investment objectives and risk tolerance. During the annual review, Financial Professional may suggest modifications to Client's investment strategy or holdings should Client's Financial Situation change or based on market or other conditions. Client is responsible for notifying Client's Financial Professional of any changes to the Client Information, investment objectives and risk tolerance. Client's Financial Professional will provide M Securities and the Portfolio Manager with any necessary updates regarding these changes. Achievement of a stated investment objective is a long-term goal for the Account, and at times, the stated objective may be inconsistent with the actual holdings in the Account. This can be due to, among other things, volatility in the market, an agreed upon temporary change in investment strategy, or as a result of your specific directive or request.

Item 8 Client Contact with Portfolio Manager

Client's ability to communicate with a Portfolio Manager will depend upon the Program selected. If Client selects a Program that utilizes their Financial Professional as Portfolio Manager, Client can communicate with Client's Financial Professional at the frequency agreed on between Client and Financial Professional.

If Client chooses a Program that utilizes a third-party money manager as Portfolio Manager, Clients should first contact their Financial Professional for the Financial Professional to arrange a direct consultation between the Client and Envestnet and/or money manager.

Item 9 Additional Information

DISCIPLINARY INFORMATION

M Securities is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of our advisory business or the integrity of our management.

On March 11, 2019, the SEC published IA Release No. 5193, an Order instituting Administrative and Cease and Desist Proceedings, pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), against M Securities. M Securities self-reported the violations to the SEC. The proceedings arose out of breaches of fiduciary duty and inadequate disclosures by M Securities in connection with its mutual fund share class selection practices and the 12b-1 fees M Securities and/or its associated persons received. At times during the relevant period, M Securities purchased for, recommended to, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible. M Securities failed to disclose in its Form ADV or otherwise conflicts of interest related to the collection of such fees. As a result of the conduct, M Securities willfully violated Sections 206(2) and 207 of the Advisers Act. M Securities agreed to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 207 of the Advisers Act. M Securities was censured, agreed to pay disgorgement plus interest of \$1,022,048.49 and complied with the undertakings described in the Offer of Settlement.

On July 9, 2018, M Securities was found to be in violation of FINRA's rules related to its brokerage activities. Without admitting or denying the findings, M Securities consented to sanctions equal to \$135,000 and to the entry of findings from December 2013 to June 2017, that specified it did not establish, maintain, and enforce a supervisory system, including written supervisory procedures ("WSPs"), reasonably designed to supervise registered representatives' use of

consolidated reports. The findings stated that during this period, associated persons of M Securities created and disseminated consolidated reports to customers, yet it had no WSPs directly addressing the supervision of consolidated reports. Further, M Securities did not maintain or review consolidated reports as communications with customers and did not maintain or review the supporting documents related to assets and asset values entered manually by registered representatives in the consolidated reports. In response, M Securities created WSPs addressing the use and dissemination of consolidated reports by its registered representatives. The WSPs included M Securities' requirements for review and approval before submitting of consolidated reports to firm customers or prospective customers, and prohibited the dissemination of consolidated reports unless and until approval was provided by M Securities.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

M Holdings Securities, Inc.

In addition to M Holdings Securities, Inc. being a RIA, our firm is registered as a BD with the SEC and is a member of FINRA. Most Financial Professionals also offer brokerage services or direct securities accounts as a registered representative of M Securities. Certain Management personnel of our firm are separately licensed as registered representatives of M Securities. Financial Professionals acting as registered representatives of M Securities as a BD transact business in various types of securities, including mutual funds, stocks, bonds, alternative investments, variable life insurance, variable annuities, REITs and other investment products. These products are typically transaction-based commissionable products that generate revenue to M Securities and the Financial Professional. Additionally, some products offer ongoing distributor fees or 12b-1 fees that are shared between M Securities and the Financial Professional. M Securities is registered to operate in all 50 states and has an independent-contractor sales force of Financial Professionals and registered representatives throughout the United States. Before engaging with a Financial Professional, Clients should understand the differences between advisory services and commission-based product offerings to determine which account or product type meets their needs. Clients are encouraged to discuss the differences with their Financial Professional.

While M Securities Financial Professionals endeavor at all times to put the interest of the Clients first as part of our fiduciary duty, Clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. To mitigate these conflicts, M Securities reviews transactions for suitability to ensure that the recommended services and products are consistent with Client's stated goals and objectives. We disclose to Clients the existence of all material conflicts of interest, and that Clients are not obligated to use the Program or purchase recommended investment products from us. Additionally, M Securities has developed a Code of Ethics to guide our Financial Professionals, which is described further below.

M Wealth

We are affiliated to M Financial Asset Management, Inc. ("M Wealth"), which is wholly owned by our parent company, M Financial Group, and offers investment management services as a sub-advisor to M Securities and other independent RIAs that are owned or controlled by registered representatives of M Securities. M Wealth is recommended by us as a sub-advisor when appropriate for the Client. An incentive and therefore a potential conflict of interest exists to offer the management services of M Wealth as opposed to other investment advisory managers since many Financial Professionals and their Member Firms have an ownership stake in M Financial Group. Please see the "Additional Compensation" subsection below for more information regarding the manner in which compensation could ultimately find its way to a Financial Professional through the client selecting M Wealth to manage their assets.

M Wealth MPP Wrap Program: M Wealth, among its other investment advisory services, maintains a M Wealth sponsored wrap fee account program in which it also serves as portfolio manager (the "Managed Portfolio Program" or "MPP Wrap Program"). In the MPP Wrap Program, M Wealth selects specific securities for its models, using eighteen risk-based model portfolios it has developed and manages on an ongoing basis, which have different risk-based, tax focused, or specified

emphasis, including models: for use in taxable accounts; for use in tax-deferred accounts; that seek to emphasize market returns with lower volatility; and that emphasize environmental, social and governance (“ESG”) focused holdings. The minimum required account size is \$10,000 or \$25,000 depending upon the model. MPP Wrap Program clients will select either Pershing or Charles Schwab, Inc. as custodian. MPP Wrap Program fees vary depending upon the custodian, but will not exceed 1.36% for accounts with at least \$150,000 in assets (fees can be higher for lower asset value accounts, due to minimum fees). For further information regarding the MPP Wrap Program, see M Wealth’s Form 2A Appendix 1 wrap brochure, available at www.adviserinfo.sec.gov.

The MPP Wrap Program is independent of and not part of the M Securities WealthPursuit Wrap Programs described in this brochure. M Securities and our Financial Professionals, however, may recommend the MPP Wrap Program to M Securities Clients. While the WealthPursuit and the MPP Wrap Programs offer different investment strategies, program structures, custodian options, and pricing which may be suitable for different customers based on a respective customer’s investment objectives, needs and preferences, because MPP Wrap Program fees are lower than those for the WealthPursuit Wrap Programs, M Securities and its Financial Professionals have an incentive and thus conflict of interest to recommend the WealthPursuit Wrap Programs over the MPP Wrap Program. Conversely, because the MPP Wrap Program is offered by an affiliated RIA, M Securities and its Financial Professionals have an incentive to recommend the MPP Wrap Program over wrap fee account programs from unaffiliated RIAs. M Securities addresses these conflicts of interest by reviewing Program accounts for suitability at opening, on a periodic basis for account review as described further in Item 9 at Review of Accounts, via this disclosure to you, and by enforcing our Code of Ethics. For further information regarding M Securities’ Investment Management Services offerings including the MPP Wrap Program, associated fees, and conflicts of interest, please see M Securities’ Form ADV Part 2A brochure, available at www.adviserinfo.sec.gov.

MFIA and M Funds

We are affiliated to M Financial Investment Advisors (“**MFIA**”) and M Funds, Inc. (“**M Funds**”). MFIA is wholly owned by our parent company, M Financial Group, and it serves as the investment adviser to M Funds, an open-ended mutual fund company registered with the SEC. M Securities, as BD, is the distributor for M Funds.

M Funds are not sold directly to the general public, but instead are offered as an underlying investment option for variable annuity policies issued by certain insurance companies or through qualified pension and retirement plans. The use of M Funds in such variable annuity policies are only available to M Securities clients.

An incentive exists to recommend insurance products that offer M Funds and to recommend the use of M Fund subaccounts within these products, as opposed to other insurance products and subaccounts, because many Financial Professionals and their Member Firms have an ownership stake in M Financial Group. Please see the “Additional Compensation” sub-section below for more information regarding the manner in which compensation could ultimately find its way to a Financial Professional or M Securities through the client selecting M Funds as a subaccount within an insurance policy.

M Financial Securities Marketing, Inc.

We are affiliated with M Financial Securities Marketing, Inc., a registered BD that is wholly owned by our parent company, M Financial Group. This entity does not have any securities clients, since its purpose is to receive BD marketing fees and overrides. No marketing fees related to investment advisory services are directly received by M Financial Securities Marketing, Inc. However, please see the “Additional Compensation” sub-section below for more information regarding the manner in which compensation received by M Financial Securities Marketing, Inc. related to products held or purchased within the Program could ultimately find its way to a Financial Professional.

M Benefit Solutions and M Insurance Solutions, Inc.

We are affiliated with Management Compensation Group, Northwest, LLC, doing business as M Benefit Solutions (“M Benefit”) and M Insurance Solutions, Inc. (“MIS”), each licensed insurance agencies that are wholly owned by our parent company, M Financial Group. To the extent securities related insurance products are sold, they are executed through M Securities’ BD. To date, neither M Benefit nor MIS have conducted any investment advisory activities. Please see the “Additional Compensation” sub-section below for more information regarding the manner in which compensation could ultimately find its way to a Financial Professional by the Client selecting M Benefit or MIS to purchase securities related products.

M Life Insurance Company

We are affiliated with M Life Insurance Company (“M Financial Re”), a life insurance company and wholly owned subsidiary of our parent company, M Financial Group, which reinsures a portion of the mortality risk on some policies issued by unaffiliated insurance carriers and sold by registered representatives of Member Firms.

Unaffiliated Investment Advisors

From time to time, we recommend the services of various unaffiliated RIAs to clients. In exchange for this recommendation, we receive a solicitation fee, which is typically a percentage of the advisory fee charged by that RIA to the referred client. The portion of the advisory fee paid to M Securities does not increase the total advisory fee paid to the selected RIA by the client. As we will only recommend RIAs that will pay us a solicitor fee, the financial incentive creates a conflict of interest to refer business to RIAs that pay us a solicitor fee, and provides a further financial incentive to refer business to RIAs that will pay us the highest solicitor fee. Similarly, by referring you to an unaffiliated RIA, our Financial Professional and M Securities may earn more or less than if you used the Program. We address these conflicts of interest by requiring a written disclosure detailing all facts to be acknowledged by the client when an Unaffiliated RIA is recommended, and through the review of documented arrangements by M Securities supervisory personnel. M Securities will comply with Rule 206(4)-3 of the Investment Advisers Act of 1940 and all applicable Federal and State laws will be observed.

M Securities will also enter into solicitation agreements pursuant to which it compensates third-party unaffiliated RIAs for client referrals that result in clients using M Securities advisory services. These solicitation arrangements will be disclosed to such clients and any cash solicitation agreements will comply with Rule 206(4)-3 under the Advisors Act.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

M Securities has adopted a Code of Ethics (the “Code”) which sets forth high ethical standards of business conduct. The Code is intended to reflect the fiduciary principles that govern the conduct of M Securities’ Financial Professionals, employees, and all who are associated with providing advisory services on our behalf (together “Associated Persons”). It is our duty to comply with applicable federal and state securities laws and regulations governing RIAs. M Securities and our Financial Professionals owe a duty of loyalty, fairness and good faith towards our Clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

Among other things, our Code of Ethics covers and includes policies and rules of conduct governing:

- No Associated Person may put his or her own interest above the interest of an advisory client.
- Clients will be provided full and fair disclosure of all conflicts of interest and compensation.
- We prohibit the personal or professional use of material non-public information or information received as a result of providing advisory services, unless the information is also available to the investing public.



- Personal securities trading activities in the accounts of Associated Persons will be monitored.
- Associated Persons may not trade ahead of advisory clients in their personal accounts or otherwise benefit from transactions placed on behalf of advisory accounts.
- Associated Persons must seek and receive pre-approval for private placement investments and prior to opening accounts at other financial institutions, and are prohibited from participating in any initial public offering.
- Guidelines for sampling the holdings and transactions of Associated Persons to detect any possible violation of our personal securities transaction policies.
- Requirements and procedures for the maintenance of all required books and records.
- The ability for clients to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority, and the ability to allow clients to request reasonable restrictions on their accounts.
- The delivery and acknowledgement of the Code of Ethics by each supervised person of M Securities, and have established policies related to the oversight, enforcement and reporting of Code of Ethics violations to our senior management.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email at MHScompliance@mfin.com, or by calling us at 888-520-6784.

Participation or Interest in Client Transactions: M Securities and/or its related companies and Associated Persons may buy or sell securities, or have an interest in or hold securities identical to or different from those recommended to our Clients for their personal accounts. As this is a conflict of interest, it is M Securities' policy that no person associated to providing advisory services with M Securities may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and thereby potentially benefiting from their transactions. Our Code of Ethics includes guidelines regarding personal securities transactions by Associated Persons, which requires the periodic reporting of securities to assure that the personal securities transactions, activities and interests of Associated Persons will not interfere with making decisions in the best interest of advisory clients while, at the same time, allowing them to invest for their own accounts. Trades by Associated Persons may be aggregated with client transactions, where possible, and when compliant with our duty to seek best execution for our clients. In these instances, all participants will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In instances where there is a partial fill of a particular aggregated order, we will allocate all trades pro-rata with the average price.

Our internal supervisory procedures and compliance audit and sampling procedures are designed to detect potential breaches of conduct by our Financial Professionals. As disclosed above, related persons of our firm are separately registered as representatives of M Securities' BD and they receive commissions as a result of establishing a BD account with the client and entering transactions on the client's behalf. Many of the transactions entered through the BD involve the purchase of securities related insurance products in addition to general securities products. Additionally, nearly all representatives of M Securities' BD and RIA are involved with insurance agencies that are independent from M Securities and sell insurance products that are not securities related.

REVIEW OF ACCOUNTS

M Securities and the Financial Professional are responsible for reviewing the Client's Account on an ongoing basis to assure that the securities held and the transactions conducted on the Client's behalf are suitable and are conducted in a manner that meets regulatory requirements. M Securities reviews Client Account forms and other required documentation to ensure that all information required to be collected from the Client is on file and that it is complete. The Financial

Professional will determine whether the positions and strategies are consistent with stated investment objectives when reviewing Accounts, will monitor the Accounts, and may conduct reviews at different frequencies, but no less than annually. Clients may request a review of their Accounts at any time. Financial Professionals are responsible for considering existing Client holdings and pending orders prior to entering each transaction on behalf of the Client. Additionally, Financial Professionals may review Accounts more frequently due to changes in market conditions, or the political or economic environment. Clients should notify their Financial Professional of any material changes to their financial condition, investment objectives, personal circumstances or other Client Information that could affect the overall investment goals and strategies or the investment advice provided or investment decisions made by the Financial Professional. Supervisory Principals of M Securities review Accounts for suitability prior to opening. M Securities also reviews Accounts using risk-based criteria that may include trading activity, concentration, and performance.

Clients will receive monthly or quarterly Account statements from the Custodian, depending upon the activity in the Account(s). Statements will have information pertaining to the holdings, balances and activity, which will include Program Fees and other costs or expenses deducted from the Account. Clients should review their statements carefully as it is their official statement and will prevail as to other documents or reports that may be provided. Financial Professionals may, from time to time, also provide account reports to Clients for purposes of discussing and reviewing Account performance and holdings. In the event a Financial Professional provides an account report directly to a Client, Clients are urged to carefully compare the information provided in the report with the account statement the Client receives from the qualified custodian for Client's Account to ensure that all transactions, holdings, and values are correct and current.

ADDITIONAL COMPENSATION

M Securities offers a broad range of options to its investment advisory clients through access to multiple product sponsors and service providers, including insurance companies, mutual funds, private investment funds, alternative investments, wrap programs, asset allocation programs, separate account managers, RIAs, and BDs ("Investment Providers").

Certain Investment Providers provide revenue sharing arrangements or fee payments to M Securities or M Financial Securities Marketing, Inc. ("MFSM") that are separate from the fee charged to Clients for providing investment advisory services. All revenue and/or fee payments received by M Securities or MFSM are retained at the firm level to help defray marketing and business costs, such as training and educating, investment conferences, meals or entertainment (non-cash compensation), provider due diligence, sales and marketing, and administrative costs. Revenues beyond our expenses are retained as profit. The method of calculation and the amount of revenue sharing or fees paid by each Investment Provider may vary and is subject to change at any time. Clients should be aware that revenue sharing arrangements and/or fee payments create potential conflicts of interest for M Securities and our Financial Professionals. Such fees, to defray costs or as profit, minimize our expenses and increase our profits. To mitigate this conflict, M Securities does not directly share these fees with the Financial Professionals who make the recommendations related to generating these fees. However, through dividends or other programs, Financial Professionals can receive them or a portion of them. M Securities also mitigates this conflict through this disclosure to you. Clients are encouraged to determine whether any conflicts of interest to M Securities are relevant to investing with an Investment Provider, and are welcome to contact us for additional information.

Compensation from Pershing, LLC: We have access, without charge, to Pershing's NetX360 software and website, which provides access to Client Account records and facilitates the execution and review of Client transactions.

Pershing offers a no-transaction-fee program ("FundVest") in lieu of clearance charges in which M Securities voluntarily participates. The execution portion of the Program Fee will equal 0.00% in any case where a portion of the portfolio is invested in Pershing's FundVest mutual funds. Additionally, Pershing may receive negotiated servicing fees from

participating mutual funds in this program and shares a portion of those fees with M Securities primarily to offset general costs associated with operating expenses. When this occurs, M Securities does not directly share this additional revenue with Financial Professionals. However, Financial Professionals may be able to indirectly receive these fees or a portion of these fees through dividends or other programs described within this document. M Securities Clients can find additional information about this arrangement in their Pershing New Account Disclosure.

Pershing, as custodian, will collect additional fees for services provided for, but not limited to, IRA maintenance fees, margin interest, checking, and non-purpose loans, among other services; and shares a portion of those fees with M Securities. Clients should be aware that revenue sharing arrangements and/or fee payments received from Pershing create conflicts of interest for M Securities as it provides incentives for M Securities to recommend products or services from Pershing who make such payments to M Securities, as opposed to product or service providers who do not, even if that person's product or service may be more suitable for a particular Client's Account. M Securities addresses this conflict of interest including by, but not limited to: prohibiting the direct or indirect payment of any such compensation received to our Financial Professionals so as to not create incentives for Financial Professionals to recommend products or services on the basis of any such compensation received by M Securities; by reviewing accounts for suitability at opening and on a periodic basis for account review as described further in Item 13 at Review of Accounts; by enforcing our Code of Ethics, and through this disclosure.

Trade Corrections: On occasion, M Securities, a custodian, or platform provider may cause a trading error to occur in a Client Account. When this happens, we will work to process the correction so that the Client is not affected by the error and have the results of the transaction originally intended. Where M Securities is responsible for the error, M Securities will absorb the loss or gain that may result from this corrective action. Retaining gains which otherwise could be given to a Client is a conflict of interest which we address through this disclosure to you. For all other errors, the party responsible for the error will absorb the loss or gain that may result from the corrective action, including errors caused by Clients.

M Financial Group and its Member Firms

M Securities is a wholly owned subsidiary of M Financial Group. M Financial Group and its subsidiaries, including M Securities, provide a variety of support services to Member Firms. Individuals associated with a Member Firm are not required to become registered with M Securities and may associate with a third-party BD or third-party RIA. However, if a Member Firm desires to sell proprietary insurance products (as the term is described below) that require a securities license, they are required to sell those products through M Securities or a third-party BD which has been approved by M Financial Group. M Securities will only license individuals who are associated with M Financial Group or a Member Firm. 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, through appropriately licensed representatives of a BD or RIA as applicable, provide a broad range of financial products and services, primarily marketed 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

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.

Aside from BD products and RIA Programs, which must be reviewed and approved by the BD and/or RIA the Financial Professional is associated with; Member Firms are free to offer products and services provided by other financial service providers and are not required to offer proprietary 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 marketed to 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 through approximately 2017, 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: About 85% of M Financial Group shares are owned by or associated with Member Firms and some of their affiliated producers. As stockholders, they share in the profits of M Financial Group via periodic stock or cash dividends. A portion of the remaining shares are owned or controlled by some employees of M Financial Group or its affiliates. The ownership or control of shares is a potential conflict of interest for us as it incentivizes maximizing our compensation. We address this conflict through maintaining policies and procedures designed to assure Clients are recommended suitable products or programs, through this disclosure and through our Code.

M Financial Group also maintains a Member Firm 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 Member Firm 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, including any revenue sharing, paid to M Financial Group or its subsidiaries 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. Most insurance-based products and some other products or services M Securities makes available for use by M Securities’ registered representatives or RIA representatives pay Override(s) to M Financial Securities Marketing, Inc. We will also periodically consider products or services that do not provide overrides.
- 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.
- Investment advisory fees for investment advisory services provided through RIA subsidiaries of M Financial Group.
- Brokerage fees or commissions for securities transactions executed by a BD subsidiary of M Financial Group.
- Arrangement fees for life settlements representing a percentage of the compensation paid to the broker arranging the settlement.
- Marketing or due diligence fees related to the ability to market to our Member Firms or their associated persons or to our initial or ongoing review of products or services we make available for sale or use.
- 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 RIA 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.

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 Funds 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 Financial Professional whether his/her 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 of one particular financial service provider, product, investment, or service may exceed commissions or compensation payable in respect of a comparable provider, product, or service.
- Certain policy features or riders may involve commissions or compensation that differ from compensation payable in respect of “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.

Non-Cash Incentive Program

Every two years, M Financial Group calculates the cumulative production across all its business lines, as generated by its Member Firms. Business lines include a wide variety of products and services; some of which are securities related while others are non-securities related. Depending on production and service levels, Member Firms are allowed to designate individuals in their Member Firm to receive a structured educational, professional and vacation program sponsored by M Financial Group. This program creates a conflict of interest for Member Firms by providing incentive to increase production of products or services, however, although no specific product or service is favored in this calculation, there is incentive to use products or services that offer higher levels of compensation per dollar invested or disincentives regarding the surrender or movement of assets. Although different products or services may provide differential incentive in this calculation, M Financial mitigates this conflict through obscuring the calculation methodology from Member Firms and through this disclosure, to you.

Additionally, some Investment Providers offer our Financial Professionals the ability to attend free or discounted due diligence and educational trips to educate them about products and services they offer. Financial Professionals are required to disclose these trips or meetings to M Securities and receive approval from us prior to attending. M Securities limits the reimbursement to the cost of attending the trip or meeting. Financial professionals may also receive free or discounted technology so long as such support provides for the efficient service of advisory business.

FINANCIAL INFORMATION

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

In addition, M Securities is required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. M Securities has no additional financial circumstances to report.

M Securities has never been the subject of a bankruptcy petition.