

MWM Advisory Group, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of MWM Advisory Group, LLC. If you have any questions about the contents of this brochure, contact us at 219-510-5069. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MWM Advisory Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

MWM Advisory Group, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

The material changes in this brochure from the last annual updating amendment of MWM Advisory Group, LLC on 01/21/2021 are described below. Material changes relate to MWM Advisory Group, LLC's policies, practices or conflicts of interests.

MWM Advisory Group, LLC has updated their primary office address (Cover page).

MWM Advisory Group, LLC has removed reference to one-time fixed onboarding fees. (Item 5)

MWM Advisory Group, LLC does not compensate non-advisory personnel (solicitors) for client referrals. (Item 14)

MWM Advisory Group, LLC will vote proxies on behalf of clients. (Item 17)

MWM Advisory Group, LLC has removed reference to ETF's and Mutual funds. (Items, 4,5,8, & 12)

MWM Advisory Group, LLC has updated its Fee Schedule (Item 5).

MWM Advisory Group, LLC will use a third party, Precise FP, as their financial planning software provider (Item 4).

MWM Advisory Group, LLC has added the DOL Acknowledgement of Fiduciary Status (Item 4).

MWM Advisory Group, LLC has updated Item 8 to disclose 1031 Exchanges and DSTs.

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Item 4 Advisory Business

Description of Firm

MWM Advisory Group, LLC is a registered investment adviser based in Valparaiso, IN. We are organized as a limited liability company ("LLC") under the laws of the State of Indiana. We have been providing investment advisory services since October 2020. We are owned by Joseph R. Murphy, and Amber F Murphy.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to MWM Advisory Group, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management and Financial Planning Services

We offer a comprehensive service consisting of portfolio management and financial planning to our clients as follows:

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We also use financial planning software, provided by Precise FP, to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both

financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. As part of our financial planning services, we have a relationship with a licensed attorney to review and / or create legal documents for our clients. For additional information regarding this financial industry affiliation please see Item 5 *Fees and Compensation* and Item 10 *Other Financial Industry Activities and Affiliations* of this brochure.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Financial Consulting Services

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Wrap Fee Programs

We do not participate in any wrap fee program.

Types of Investments

Please refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other

clients regarding the same security or investment.

Assets Under Management

As of December 31, 2021, we provide continuous management services for \$10,000,000 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Portfolio Management and Financial Planning Services

If you decide to engage us to provide discretionary portfolio management and financial planning services on a fee-only basis, our annual advisory fee is based on a percentage (%) of the market value of assets placed under our management. Our annual fee is billed and payable, quarterly in arrears, based on the balance at end of billing period as set forth below:

Annual Fee Schedule

Assets Under Management	Annual Fee
\$0 - \$250,000	1.35%
\$250,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,500,000	1.15%
\$2,500,001 & Above	1.05%

If the agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian;
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated; and
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified

custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

You may terminate the agreement upon 15 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Financial Planning Services

We charge a fixed fee for financial planning services, which generally ranges between \$2,000 - \$10,000. The first half of the estimated fee is due in advance of services rendered with the remaining balance payable upon completion of the contracted services. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

We charge an hourly fee of \$200.00 for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We also offer advice on single subject financial planning/general consulting services at the same hourly rate.

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered.

We will not require prepayment of a fee more than six months in advance and in excess of \$500.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

You may terminate the financial planning agreement upon 15 days written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

Financial Consulting Services

We charge an hourly fee of \$200.00 and / or a fixed fee for financial consulting services. Fixed fees range from \$2,000 - \$10,000, The fee is negotiable depending on the scope and complexity of the services rendered. Our consulting fee is payable in equal parts with 50% payable at inception of the engagement and the remaining balance due on completion of the contracted services. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

You may terminate the financial consulting agreement upon 15 days written notice to our firm. If you

have pre-paid financial consulting fees that we have not yet earned, you will receive a prorated refund of those fees. If financial consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial consulting agreement.

We will not require prepayment of a fee more than six months in advance and in excess of \$500.

Financial Industry Affiliation Fees

As stated above, as part of our financial planning services we may recommend a licensed attorney to review and / or create legal documents for you. An estimate of the total time/cost will be determined in advance and in limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. Please see Item 10 *Other Financial Industry Activities and Affiliations* of this brochure for additional information.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals (other than high net worth individuals) and high net worth individuals.

In general, we require a minimum of \$100,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Trading - We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

1031 Exchanges & DST's - (Inland Securities Corp.) - Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities: Interests in partnerships investing in real estate, Private placements, typically focused on real estate, DST and other real estate-focused investments.

Risk: Exchanges:

Lack of Control. This is a glass half full scenario. The contributing investors no longer have the headache or property management woes. Think of that as a credit. On the flip side, they lose control. Once investors contribute the assets, the REIT is the new owner of the acquired property. It is now hands-off; you no longer own the real estate. All properties are indirectly and exclusively owned by the REIT. This may only be an issue for direct property owners who have relinquished property and like direct ownership.

Voting Rights. Unlike REIT investors, those who hold OP units forfeit all voting rights.

Estate Planning Considerations. Building and leaving a legacy is something nearly everyone considers; it isn't unique to investors. Yet investors sitting on valuable assets may give more thought to estate planning, especially ones who wish to transfer their OP units to multiple heirs and other beneficiaries. A tax professional well-versed in UPREITs should be consulted prior to the death of the OP holder. For example, the estate receives a step-up in basis.

Federal and State Tax Filing Requirements. Investors who held a property in Texas, for example, were only required to file Texas taxes. REIT shareholders are also only required to file income taxes in their state of residency. Conversely, OP unit holders are subject to tax filing requirements in each state in which the operating partnership transacts business. This will result in considerable tax filing complications — again, an expert will be essential in unpacking all the tax filing nuances.

The Case of the Erratic Stock Market. OP unit holders are not immune from the volatility of the stock market; wild swings are possible. When the market is contracting, there's no guarantee that the value of the underlying REIT shares — which are correlated to the S&P 500 if you are in a publicly-traded REIT — won't take a dive.

The UPREIT has many advantages, but astute investors would be wise to explore the many facets of this unique tax-deferral partnership.

Risk: DST

- **Macroeconomic Risk:** As with any investment in real property, rising interest rates and the health of the U.S. economy play a role in determining how the property performs. While increasingly expensive debt can have a downward pressure on returns, recessionary periods may affect occupancy rates at the Property, as well as the ability to find a willing buyer when it comes time to sell.
- **Regulatory Risk:** Because DSTs are tax-driven investments, they are subject to various regulatory constraints from the IRS. Executing a smooth exchange, while not violating any of the “7 Deadly Sins” of a 1031 exchange, is a risky endeavor and takes sufficient planning to ensure that you don't lose the benefits of conducting an exchange. In addition, tax laws and regulations are constantly being debated and amended by Congress, with 1031 exchanges recently at the top of this list.
- **Execution Risk:** As mentioned before, there are several moving parts and interested parties involved in a DST investment. One failed step by a qualified intermediary or sponsor may affect your ability to exchange.
- **Asset-Level Risk:** Certain real estate property types are subject to different risks and economic forces. Here are a few examples:
 - Hotels — some have seasonal and location risk dependent on tourists and disposable income, while others bring in the majority of their revenue from business conferences.
 - Office buildings — can experience increased vacancies during economic downturns and pandemics.

The above two assets are in contrast to multifamily/apartment real estate, which tends to be more resilient to economic fluctuation, depending on market positioning.

Fees

A major concern about DSTs we hear from investors is fees. Understandable considering your hard earned money is going directly into the pockets of another, instead of getting put to work for you. The unfortunate truth, however, is that the companies involved in a DST transaction won't work for free, and can sometimes be expensive. Fees are typically taken at three levels in the DST structure: upfront, operating, and disposition.

Although acquisition costs are typical in most real estate investments, such as legal costs, loan and lender expenses (when debt is being acquired), and other miscellaneous closing costs, some upfront costs in a DST are not as typical.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you

were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We primarily recommend ETFs & mutual funds and stocks. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the market place and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established

companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Annuities are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long term goals. An annuity is not a life insurance policy.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

We are affiliated with MWM Tax Services (a tax planning firm) through common control and ownership. If you require accounting services, we will recommend that you use the services of our affiliate. Our advisory services are separate and distinct from the compensation paid to our affiliate for their services. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

We have a financial industry affiliation with Marla Thomas, Esq.. If you require legal services, we will recommend that you use the services of our affiliate. Our advisory services are separate and distinct from the compensation paid to our affiliate for their services. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

We are affiliated with HeartPuppet DBA Murphy Wealth Management through common control and ownership. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

Referral arrangements with an affiliated entity present a conflict of interest for us because we have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Charles Schwab (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely require that you direct our firm to execute transactions through Charles Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Aggregated Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Item 13 Review of Accounts

Joseph Murphy, Chief Compliance Officer and Managing Member, will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly for portfolios and annually for financial plans, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

Forgivable Loan

We have also entered into an agreement with SBA whereby SBA has provided funding to our firm, in the form of a forgivable loan, for the purpose of establishing and growing our investment advisory business. As part of this agreement, our firm has agreed to use SBA's brokerage and custody services for at least a certain period of time. This arrangement creates a conflict of interest in that we have a financial incentive to recommend SBA's brokerage and custody services to our clients. Notwithstanding our agreement with SBA, we believe that SBA provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not compensate non-advisory personnel (solicitors) for client referrals.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Payne Financial Solutions, an insurance company, may refer some of its clients to us for additional services. Payne Financial Solutions is not compensated for client referrals.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

We acknowledge our fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. We will vote proxies on behalf of a client solely in the best interest of the relevant client. We have established general guidelines for voting proxies. We may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, we may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between us and a client, then we will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting us in writing and requesting such information. Each client may also request, by contacting us in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Clients can send written requests to the Chief Compliance Officer at joe.murphy@mwmfinancial.tax.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice that is not already disclosed above.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Refer to the *Performance-Based Fees and Side-By-Side Management* section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings, or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position

it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.

- a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.