



**MPM Wealth Advisors**

Form ADV Part 2A - Firm Brochure  
(CRD # 104926 / SEC # 801-50488)

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This Form ADV Part 2A Brochure (or "Brochure") provides information about the qualifications and business practices of **Modern Portfolio Management, Inc. DBA MPM Wealth the Advisors**, an investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). If you have questions about this Brochure's contents, please contact us at 800-814-1706 or by e-mail at [compliance@mpmwealth.com](mailto:compliance@mpmwealth.com).

The information in this Brochure has not been approved or verified by the SEC or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; please refer to the actual investment offering and related legal documentation for complete disclosures. Registration with the SEC or any reference to or use of the terms "registered investment adviser" or "registered" does not imply that **MPM Wealth the Advisors** or any associated person has achieved a certain level of skill or training. Investments involve risk, including the possible loss of principal. An adviser's written and oral communications provide information to determine whether to retain their services. This Brochure is on file with the appropriate regulatory authorities as Federal and state regulations require.

Additional information about **MPM Wealth the Advisors** is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*(Click on the link, select "Investment Adviser- Firm," and type MPM Wealth the Advisors or our CRD # 104926.  
Results will provide you with our firm disclosure brochures.)*

## ITEM 2: Summary of Material Changes

In this item, **MPM Wealth Advisors** ("MPM" or "the Adviser") is required to summarize only those material changes made to this Brochure since our last Annual Updating Amendment. If you are receiving this document for the first time, this section may not be relevant to you.

Since our last Annual Updating Amendment on March 31, 2023, changes have been made to the following Brochure sections:

### Item 4 - Advisory Business

#### *Assets Under Management*

As of December 31, 2023, our client assets under management total \$795,032,688. The following represents assets under management by account type:

Type of Account	Assets Under Management
Discretionary	\$ 335,934,224
Non-Discretionary	\$ 459,098,464
Total	\$ 795,032,688

### Enhancement to ADV Disclosures

This Brochure was also amended to include increased disclosures, supplementary clarifying information on MPM's advisory practices, and aesthetic and formatting changes. While these modifications may not necessarily be material, the enhancements intend to clarify and better aid investors in understanding the Adviser's business model, procedures, and services.

### Full Brochure Availability

At any time, we may amend this document to reflect material changes in the Adviser's business practices, policies, procedures, or updates as mandated by securities regulators. Annually, within 120 days of the close of our fiscal year end of December 31<sup>st</sup>, and as necessary due to material changes, we will provide clients either by electronic means or hard copy with a new Brochure or a summary of material changes from the document previously supplied, with an offer to deliver a full Brochure upon request. Please retain this document for future reference, as it contains essential information concerning our advisory services and business.

You may view our current disclosure documents at or the SEC's Investment Adviser Public Disclosure ("IAPD") website at <http://www.adviserinfo.sec.gov> by searching either by our Firm name, MPM Wealth Advisors or CRD # 104926. The SEC's website also provides information about any affiliated person registered or required to be registered as an Investment Adviser Representative of the Firm. You may also request a copy free of charge by contacting us directly at 800-814-1706 or via email at [compliance@mpmwealth.com](mailto:compliance@mpmwealth.com).

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## ITEM 4: Advisory Business

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### Overview

**MPM Wealth the Advisors** ("MPM" or "the Adviser") is an investment advisor registered with the Securities and Exchange Commission ("SEC") pursuant to the Investment Advisers Act of 1940 (the "Advisers Act"). The firm, headquartered at 7429 International Drive, Suite A, Holland, OH, is a privately held Ohio corporation that began providing investment advisory services in 1995.

### Principal Owners

MPM Wealth Advisors, Inc., is wholly owned by MPM. The Firm's Chief Executive Officers and Control Persons are Bryan F. Ohm, Founding Partner & Co-President; George T. Damasco, Jr. ("Tom"), Founding Partner & Co-President; Christine E. Ohm, Chief Compliance Officer; George T. Damasco, III, Partner, Vice President, Sean S. Shinaberry, Partner, Treasurer, Chief Executive Officer & Chief Financial Officer and Chelsea O. Heintschel, Partner, Vice President, Secretary & Chief Operating Officer, who undertake all of the Adviser's significant strategic and administrative decisions. *(Please refer to each Principal's Form ADV Part 2B Brochure Supplement for additional details on their formal education and business background.)*

**The following paragraphs describe MPM's business practices, services, and fees. Clients should pay particular attention to the discussions about the various conflicts of interest because these can affect the Adviser's judgment in managing client accounts, brokerage selection to execute account trades, and custodian recommendations to hold account assets, among other essential considerations.**

### Advisory Business

As used in this Brochure, the words "we," "our," or "us" refer to MPM and the words "you," "your," and "client" refer to you as either a client or prospective client of our Firm. The term "Associates" refers to the Adviser's Supervised Persons – the Officers and Directors ("Control Persons"), employees, and the Investment Adviser Representatives of MPM, licensed as necessary for their roles and client base, supervised and approved by MPM to provide investment advice or advisory services on behalf of the Adviser.

MPM is a fiduciary to clients, as defined under the applicable laws and regulations. As a fiduciary, MPM upholds a duty of loyalty, fairness, and good faith towards each client and seeks to mitigate potential conflicts of interest. In providing investment advice to clients, MPM strives to act with a degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use.

MPM's advisory services are made available to clients primarily through its registered Investment Advisor Representatives ("Adviser Representatives" or "Representatives"). Each advisory relationship at MPM is managed by one or more Representatives registered with the Firm, who serve as the primary point of contact between MPM and the client. Advisor Representatives are required by applicable rules and policies to obtain licenses and complete training to recommend specific investment products and services. Clients should be aware that their Representative can or cannot recommend certain services, investments, or models depending on the licenses or training obtained and can transact business or respond to inquiries only in the state(s) and locations in which they are appropriately qualified.

For more information about the individual providing advisory services, clients should refer to their Representative's Form ADV 2B Brochure Supplement, a separate disclosure document offered to the client, along with this Brochure and the Adviser's other important Disclosure Documents before or at the time of relationship inception. *(If the client did not receive a Form ADV 2B Brochure Supplement, they should contact their Advisor Representative or MPM directly.)*

### "Co-Branding" Disclosures

MPM offers services through its network of Representatives. Some Representatives have other business interests, as described in their Form ADV 2B Brochure Supplement disclosure brochures, and have established their own legal business entities (a "doing business as" or "DBA" entity) through which they conduct their advisory practices and other outside business activities, with trade names and logos used for marketing purposes that may appear on their brochures, marketing materials or client statements.

Clients should understand that any such DBA businesses are the legal entities of the Representatives and not those of MPM Wealth Advisors, the SEC-registered investment adviser. Representatives are under the supervision of MPM, and the MPM investment advisory services the Representatives offer through these separate and independent entities are provided *through* MPM. Persons engaging in MPM's advisory services must know that each Representative's DBA business is operated separately. The protections afforded when doing business with one legal entity may not necessarily exist if entering into a relationship with another, and the services provided by one regulated entity will only be provided concerning that entity, not for the services offered by another. MPM does not represent that any fees, products, services, or those of any referred third party are provided at the lowest available cost for similar services; clients may be able to obtain the same at a lower price from other providers. MPM advisory clients should also be aware that any other business lines offered by DBA entity professionals, such as brokerage and insurance products and services, may be provided through unaffiliated or affiliated firms that are separate and distinct from the advisory services provided through MPM. Any other business lines offered are (1) unrelated to the client's relationship and Advisory Agreements with MPM, (2) not part of our advisory or management services, and (3) subject to separate contractual arrangements. The protections afforded to a client under applicable investment advisory laws and regulations generally do not apply to those provided by any non-advisory contract.

For specific details, clients and prospective clients are encouraged to carefully refer to each Representative's disclosure brochure and ask questions about any item they may be unclear about or if they desire additional information. *(See Item 10 - Other Financial Industry Activities & Affiliations for added disclosures regarding Associate outside business activities.)*

As of the date of this Brochure, the following MPM Advisor Representative(s) maintain co-branded/DBA independent businesses:

Steven E. Bernier DBA Bernier Wealth Management, LLC

#### Non-Exclusive Relationship

MPM's relationship with each client is non-exclusive; in other words, we provide advisory services to multiple clients, with investment strategies and advice based on each client's financial situation. Accordingly, since investment strategies and advice are custom-tailored based on each client's specific financial situation, the advice we provide to one client can differ or conflict with that provided for the same security or investment for another. *(See Item 8: Methods of Analysis, Investment Strategies & Risk of Loss for additional information.)*

#### Other Professional Service Provider Recommendations

If requested by the client, MPM can recommend the services of other professionals for implementation purposes. These professionals, who can be accountants, lawyers, insurance agents, etc., are engaged directly by the client on an as-needed basis. We do not receive referral fees for such recommendations, and clients are under no obligation to engage in any recommended professional services. Clients wishing to engage in such services will execute a separate agreement by and between the client and their selected referred professional(s). Unless disclosed otherwise, MPM is not a party to the transaction and does not maintain the authority to accept any client on behalf of any referred professional. Each referred party has the right to reject any referred MPM client for any reason or no reason.

In selecting a referred professional, the client is responsible for understanding the referred provider's separate contract, including fees and charges and for those charges when assessed, should they choose to engage the referred professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MPM. *(Note: If a client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.)*

#### Client Responsibilities

MPM's advisory services depend on and rely upon the information received from clients. The Adviser cannot adequately perform its obligations and fiduciary duties to the client unless the client discloses an accurate and complete representation of their financial position and investment needs, timely remits requested data or paperwork, provides updates promptly upon changes, and otherwise fulfills their responsibilities under their Advisory Agreement. Representatives will rely upon the accuracy of information furnished by the client or on their behalf without further investigation, and the Adviser is expressly authorized to rely on such information. MPM will not be required to verify the information obtained from clients or other professional advisors, such as accountants or attorneys.

It is the client's responsibility to inform MPM promptly of significant changes in their individual or family circumstances or financial situation or in the investment goals or objectives, investment time horizon, tolerance for risk, or liquidity needs of their account so that appropriate changes can be made. Clients will acknowledge and agree to their obligation to promptly notify us if any information material to the advisory services to be provided changes, information previously provided that might affect how their account should be managed occurs, or if earlier disclosed data becomes inaccurate.

Unless the client notifies MPM of material changes in their Suitability Information, designates a different Portfolio for their account, or advises of any other material change to their account, MPM will continue to manage the client's account according to the Suitability Information and executed client documents within its records.

The client or their successor shall also promptly notify us in writing of the client's dissolution, termination, merger, or bankruptcy if the client is other than a natural person and of the occurrence of any other event that might affect the validity of their Advisory Agreement or our authority thereunder.

MPM reserves the right to terminate any client engagement where a client has willfully concealed or refused to provide pertinent information about details material to the advisory services to be provided or individual/financial situations when necessary and appropriate, in its judgment, provide proper financial advice.

**Following is a summary description of advisory services covered by this Brochure. Please note that the information in this Brochure is necessarily general and does not address all details of each MPM advisory service. Because specific terms of a client's Advisory Agreement are negotiable, clients should always refer to their individual Advisory Agreement for terms and Fee Schedules that apply specifically to them.**

#### Description of Advisory Services

MPM is an investment advisory firm; it does not sell securities on a commission basis. Our Representatives emphasize client contact and interaction in providing the following individually tailored investment advice and advisory services:

- **MPM Portfolio Services**
  - Managed Account Program Services (*the "MPM Program"*)
  - Model Portfolio Provider Services
- **Financial Planning Services**
  - Traditional Financial Planning Services
  - Extended Financial Planning Services
- **Consulting Services**
- **ERISA, Retirement & Employee Benefit Plan Services**
- **Selection of Other Advisers Services**
  - Third-Party Management Referral Services
- **Educational Seminars & Workshop Services**

MPM's advisory services are designed and aimed to complement each client's specific needs, as described within its written services contracts (the "Investment Advisory Agreement" or "Advisory Agreement") that disclose, in substance, the scope of service, contract term, Advisory Fee, formula for computing the fee, and type of authority granted to MPM. Final Advisory Fee structures are documented within the written Advisory Agreement. Representatives are restricted to providing the services and fees specified within each Advisory Agreement, subject to the client's listed objectives, limitations, and restrictions.

Advisory Agreements must be completed and executed to engage in MPM's advisory services. Clients can engage MPM for additional services at any time. (*Please refer to Item 5: Fees & Compensation and Item 16: Investment Discretion for further details on advisory services fees and account management style.*)

Once established, no Investment Advisory Agreement can be *assigned* - within the meaning of the Advisers Act - by the Adviser without the client's consent as outlined in the Advisory Agreement. (*Note: Transactions that do not result in a change of actual control or management of the Adviser within the meaning of the Advisers Act shall not be considered an assignment.*)

## MPM Portfolio Services

### MPM Managed Account Program Services

MPM's **Managed Account Program Services** (the "MPM Program") are personalized and intend to complement each client's specific needs, as described in their Advisory Agreement. Representatives collect clients' financial and suitability information and recommend specific advisory services or programs deemed appropriate after assessing the client's situation, financial circumstances, goals, objectives, and investor risk profile ("Client Suitability Profile").

In the MPM Program, the Representative will work with the client to develop a personal investment profile that identifies the client's individual and financial situation, the investment objective, tolerance for risk, liquidity needs, and investment time horizon (all the "Suitability Information") for the account (collectively, the "Program Account," if more than one) that will be managed through the MPM Program.

Based on the Client Suitability Profile and any other information the Representative determines appropriate under the circumstances, the Representative will work with the client to develop a diversified portfolio of investments that is suitable for the initial investment of the Program Assets (the "Portfolio") using the client's identified and approved investment parameters and other relevant information. It is essential to note that this information creates the framework for what intends to be a well-diversified asset mix whose goal is to generate acceptable, long-term returns at a level of risk suitable to the client.

Clients will be assigned to one of several risk profiles with their specific portfolio strategy based on the information gathered and the amount of assets to be managed on their behalf. Representatives develop different Portfolios, follow different investment strategies and styles, and have different policies and practices for creating, rebalancing, and adjusting Portfolios given the Suitability Information of the accounts they manage. Consequently, it is expected that the Portfolios, levels of volatility, fees, expenses, returns, and performance will vary significantly among accounts from one Representative to another, as well as among the accounts of each Representative.

The Portfolio will allocate the Program Assets among various asset classes, which the client's Representative will manage on a **discretionary or non-discretionary** basis according to an investment style and strategy consistent with the Program Account's Client Suitability Profile. The Representative will act on behalf of MPM, with any discretion granted by the client to the Representative also deemed to be given to MPM as the Representative's supervisor, with the authority to direct the Representative's acts in the performance of MPM's advisory services. Although Representatives are under the general supervision of MPM, the Adviser does not direct or mandate each Representative's investment strategy or style. (*See Item 16: Investment Discretion for additional details on investment management style.*)

After clients have received and reviewed their Representative's recommendation(s) and agreed to proceed, their Representative will work with them to implement the approved management services. MPM will then supervise and direct the Portfolio account's investments, subject to the objectives, limitations, and restrictions listed in the client's written Agreement as applicable to the type of account opened and according to the Adviser's standard Fee Schedule as reflected herein and more fully explained in each client's executed Agreement. Clients should consult their Agreement for complete details. (*See Item 5: Fees & Compensation for additional information.*)

MPM does not maintain physical custody of client funds or securities other than the standard business practice of deducting management fees from advisory accounts. According to the client's Agreement, custody of client assets will be held by MPM's chosen independent and separate Qualified Custodian, who will take possession of the cash, securities, and other assets within the client's account. **Charles Schwab & Co., Inc.** ("Charles Schwab" or "Schwab"), an independent and separate registered broker-dealer, Member of The Financial Industry Regulatory Authority ("FINRA") and The Securities Investor Protection Corporation ("SIPC"), will take possession of the cash, securities, and other assets within the client's account unless the client directs otherwise. (*See Item 15: Custody for additional information.*)

As account goals and objectives will often change over time, suggestions are made and implemented ongoing as the client and Representative review their financial situation and account through regular contact and annual meetings to determine fluctuations in their financial situation or investment objectives, confirm realistic restrictions on account management and verify if the client wishes to modify any existing restrictions reasonably.

Clients are encouraged to direct questions regarding risks, fees, and costs to their applicable Representative.

### *Model Portfolio Provider Services*

When customizing an investment portfolio and if appropriate for the client's situation, Representatives will recommend MPM's **Model Portfolio Provider Services** option (the "Service"), in which MPM's Portfolio Manager (the "Model Manager") develops and maintains model investment portfolios (the "Model Portfolios") that reflect a range of investment objectives and mixes of equity and fixed-income mutual fund holdings. With this service, the Model Manager will prepare and provide periodic reports on the performance of the Model Portfolios, all of which represent hypothetical performance and are backtested over the performance period according to rule requirements.

In an effort to avoid investors becoming confused or misled, MPM has adopted policies and procedures to safeguard hypothetical performance information is presented only to clients who meet minimum requirements for sophistication and financial expertise with access to analytical tools to aid in understanding such information. MPM's procedures limit participation in the Service to institutional investors, those who demonstrate satisfactory qualifications, and those deemed suitable by the Adviser's Chief Compliance Officer and Senior Management.

### *Financial Planning Services*

MPM offers comprehensive personal **Financial Planning Services** for an hourly or fixed fee. Services can range from broad-based financial planning to consultative or single-subject planning, including but not limited to any one or more of the following:

- Asset Allocation
- Business Planning
- Cash Flow Forecasting
- Charitable Giving
- Distribution Planning
- Estate Planning
- Financial Reporting
- Insurance Needs Analysis
- Investment Consulting
- Retirement Planning
- Retirement Plan Analysis
- Risk Management

### *Traditional Financial Planning Services*

To participate in any of the above **Traditional Financial Planning Services** options, clients will execute a Financial Planning Advisory Agreement ("Financial Planning Agreement") setting forth the terms and conditions of the engagement, including termination and describing the services' scope and fees due before MPM commences services. Final fee structures are documented within the executed contract, including whether any written report or electronic or online financial plan will be provided.

Neither MPM nor the client's Representative will have discretionary investment authority when offering financial planning or consulting services.

With this service, the client's Representative will meet with them to discuss and analyze the client's investments and financial situation and help them identify their investment goals and objectives, risk tolerance, and investment time horizon, among other key factors to developing a financial plan. Clients may be asked to provide detailed information about their personal and family situation, estate and retirement plans, trust agreements, wills, investments, insurance, or other information necessary to provide the specific services requested. Based on the client's information, the Representative will develop recommendations to help the client strive to achieve their investment objectives.

Financial plans are based on the client's financial situation *when the plan is presented according to the financial information disclosed by the client to MPM at the time of Agreement execution*. Financial plans typically do not include information or analysis concerning liability risks, tax planning, or tax preparation services. If such services are necessary, the client shall be responsible for obtaining them from one or more third parties.



Depending on the scope of the assignment, planning complexity, or advice to be provided, Financial Planning Services are typically completed within 30 and 120 days, assuming the client timely provides the information we request needed to complete the planning analysis and recommendations. If services are not delivered within six months, any unearned revenue is pro-rated and refunded to the client following the terms and conditions of the executed Financial Planning Agreement.

Since financial planning is a discovery process, situations occur wherein the client is unaware of specific financial exposures or predicaments. If the client's case differs substantially from what was disclosed at the initial meeting, a revised fee will be provided for review and acceptance. When a fee increase is necessary, the client must approve and agree to the scope change before any additional work is performed. In such cases, we will notify the client to obtain this approval. Further reviews may be conducted upon request, and written updates to the financial plan may be provided in conjunction with the review. Any subsequent Financial Planning Services require the execution of a new Financial Planning Agreement, and updates to financial plans may be subject to our then-current hourly rate, which the client must approve in writing before any additional services commence. *(See Item 5: Fees & Compensation for complete details.)*

As with all MPM advisory services, the client is expected to promptly notify us in writing of any material changes in assets, net worth, indebtedness, or planning objectives that MPM would not otherwise know. The client or their successor shall also promptly notify us in writing of (1) the dissolution, termination, merger, or bankruptcy of the client if the client is other than a natural person and (2) the occurrence of any other event that might affect the validity of their executed Agreement or MPM's authority thereunder. MPM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in its judgment, to provide proper financial advice. Clients should consult their Financial Planning Agreement for complete details.

Financial planning services may be the only service provided to the client. Executing a Financial Planning Agreement neither constitutes an agreement for nor requires that the client use or purchase investment advisory or other services offered by MPM, or any insurance or other products or services provided by any MPM Representative as a result of any business activities in which they may participate outside their advisory activities with MPM. This service does not include implementing or monitoring MPM's recommendations to the client.

Clients are not obligated to act on any MPM financial planning or consultation recommendations or implement any financial plan or recommendation through our firm. Clients may act on recommendations by placing securities transactions with any brokerage firm they choose.

### *Extended Financial Planning Services*

MPM has found a need among clients who desire Financial Planning Services for ongoing guidance and regular consultations with their Representative, with the ability to choose from an extended menu of financial services, such as (for example) access to financial account aggregation services, useful analytical tools, and live financial plan and planning "what-if" tools, among others. Clients interested in our **Extended Financial Planning Services** option will work with their Representative to create a customized bundle of services similar to this, tailored to their needs. Once a selection has been made, the services will be described in the Financial Planning Agreement between the Adviser and the client.

In providing Financial and Extended Financial Planning Services, the Representative will rely on assumptions or estimates regarding a number of important factors that may or may not turn out to be accurate. These assumptions often include future market performance and investment returns, anticipated and reasonably foreseeable living and medical expenses, tax laws, interest rates, etc. The Adviser will also rely on information the client provides and the client's other professionals, such as attorneys or accountants.

As a result of likely differences between assumed items and future actual situations, the client's (or the client's successors') financial situation or needs may be materially different than anticipated, and the client's financial or investment objectives may not be achieved. Clients are again advised that it remains their responsibility to promptly notify the Adviser if there is ever any change in their financial situation or investment objectives to review, evaluate, or revise the Adviser's previous recommendations or services.

Unless expressly agreed in the client's Financial Planning Agreement, MPM will not provide a written report or electronic or online financial plan in connection with Financial Planning Services. If the Financial Planning Agreement provides for a written

report, electronic, or online financial plan, it will usually include recommendations to assist the client in striving to achieve their financial goals and objectives through purchasing or selling investments, obtaining new or revising existing insurance products or policies, establishing or participating in tax-qualified accounts, or increasing or decreasing amounts held in savings accounts or other liquid investments. *(See Item 10: Other Financial Industry Activities & Affiliations for conflicts of interest arising due to the potential for compensation if the client accepts such recommendations.)*

### Consulting Services

MPM provides a range of **Consulting Services** addressing a variety of investment and non-investment-related matters, such as investment consultations and pension plan administration. The scope of these project-based services varies, as each engagement is individually negotiated and tailored to accommodate the specific needs of a particular client. Our services will be detailed in a Consulting Agreement negotiated between the Representative and client in these cases. Subject to the service scope, we will charge a project or consulting fee. Advice is based on objectives communicated verbally or in writing by the client or the client's advisors. This will be provided through individual consultations or a written plan document, as agreed between MPM and the client.

Depending on the scope of the assignment, planning complexity, or advice to be provided, consulting services are typically completed within 30 to 120 days, assuming the client timely provides the information we request to complete the consulting analysis and recommendations. If services are not delivered within six months, any unearned revenue is pro-rated and refunded to the client following the terms and conditions of the executed Consulting Agreement.

### Selection of Other Adviser Services

#### *Third-Party Management Referral Services*

MPM retains the ability to offer **Third-Party Management Referral Services** to clients, where Representatives will, after appropriate due diligence, select or recommend independent and separate account managers, licensed investment advisers or third-party program providers to administer its clients' accounts. For this advisory service option, MPM's clients are the potential investors it introduces to each referred third-party manager ("TPM"), who may decide to open an account, invest with the referred TPM, and become the referred manager's client.

MPM will refer only to those individuals or entities suitable for the services.

MPM does not maintain the authority to accept any client on behalf of any referred manager, and referred TPMs are not responsible for accepting any prospective investor (and possible future client) referred to them by MPM. Each manager has the right to reject any referred client for any reason or no reason at all. MPM's role is to verify that clients are appropriate to become TPM clients, determine if the potential referred client has assets to invest, and confirm they have a minimum understanding of financial investing. MPM will then facilitate referred manager client portfolio management by assisting clients in selecting the managers and allocation models believed suitable for their unique needs. MPM will help clients understand the referred manager's Investment Management Agreement ("IMA") and complete their suitability information to help the manager determine the appropriate allocation strategy for the account.

Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending the relationship receives an economic benefit, as the payment received from the introduction could incentivize the referral. Referred clients will receive MPM's Form ADV Part 2A Brochure, a copy of their Representative's Form ADV Part 2B Brochure Supplement(s), our Privacy Notice, a disclosure brochure describing MPM's relationship and referral compensation arrangement with the TPM to which the client is referred, any material conflicts of interest arising from the relationship/compensation arrangement, and all material terms of the arrangement, and any other pertinent disclosures. MPM will receive revenue from any fees paid when acting in this capacity. MPM's fees are charged in addition to each referred manager's fee. As disclosed herein, MPM's portion of the total management fee represents the maximum fee MPM may earn under the TPM Program. Fees shared will not exceed the limits imposed by any regulatory agency.

Clients receive this full disclosure at the time of referral, with all documents supplied before or after receipt of MPM's Advisory Agreement and will sign an acknowledgment confirming their receipt of all such material operative documentation and disclosures detailing the nature of the relationship, compensation to MPM, and other general terms of the referred services.

If accepted into the referred manager's program, the client will enter into a separate IMA and other documents or arrangements as necessary with the manager to whom they are referred. This service will typically provide ongoing client account monitoring and rebalancing and/or asset reallocation of the client's assets amongst different security types chosen to strive to achieve the client's specific objective within the context of each client's stated investment goals and guidelines to maintain the client's model allocation selections. However, specific account management and implementation will depend on the client's arrangements with the referred TPM, as dictated by their suitability information, account management authority (discretionary or non-discretionary) and the type of IMA they enter into with each manager, which is then used to select a portfolio that matches their investment plan.

Custody of client assets will be held with the referred manager's independent and separate custodian, who will take possession of the cash, securities, and other assets within the client's referred account. MPM will neither access the assets nor the income produced from the client's TPM custodial account nor have physical custody of the client's funds or securities. A separate account agreement between the client and custodian will govern their relationship with the TPM's custodian. The client is responsible for all expenses billed by the custodian. MPM is not responsible for any acts or omissions of the referred manager or custodian, any fees, charges, or other costs related to the client's referred account, the client's payment of required brokerage or custodial charges/fees, or for ensuring custodian compliance with the terms of the client's brokerage account.

In selecting a referred manager, the client is responsible for understanding the fee agreement they are executing with the referred manager. Clients should consult the referred manager's IMA for the exact details concerning TPM fee disclosures, account discretion, custody, account investments, terminations, refunds (if any) and management.

#### ERISA, Retirement & Employee Benefit Plan Services

MPM provides **ERISA, Retirement and Employee Benefit Plan Services**, investment due diligence, education, and other advisory services to clients with employee benefit plans or other retirement accounts (i.e., IRAs) for a level fee. As such, the firm is considered a fiduciary under the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 and must abide by the Impartial Conduct Standards as defined by ERISA.

In connection with such services, effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, clients should be aware of the following:

When we provide investment advice to you regarding your retirement plan 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 laws governing retirement accounts. How we are compensated conflicts with your interests, so MPM operates under a special rule requiring 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 provide 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.

MPM benefits financially from the rollover of a client's assets from a retirement account to an account we manage or provide investment advice for because the assets increase our assets under management and, in turn, our Advisory Fees. MPM's policy as a fiduciary is only to recommend a client rollover retirement assets if we believe it is in the client's best interest. If clients elect to roll their retirement assets to an IRA subject to our management, they will be charged an asset-based fee as outlined in the Agreement they executed with our firm. Clients are not contractually or otherwise under any obligation to complete a rollover. If they elect to complete a rollover, they are not obligated to have their retirement assets managed by MPM. Finally, we will receive no compensation if a client or a prospective client receives a recommendation to leave their plan assets with their old employer.

When establishing ERISA accounts, MPM will have plan fiduciaries for discretionary accounts, evidence of their authority to retain our advisory services and appoint us as an "investment manager" within Section 3(38) of ERISA for those plan assets that comprise the client's account. They will confirm that the services described in MPM's Agreement are consistent with plan documents and furnish accurate and complete copies of all records that establish and govern the plan.

If an established plan account contains only partial plan assets, as ERISA requires, the client will acknowledge that MPM has no responsibility for the overall diversification of all the plan's investments and no duty, responsibility, or liability for any partial plan asset not under advisement. If ERISA or other applicable law requires bonding for the account's assets, MPM will ensure bonding is in place to satisfy the obligation to cover MPM and all Associates whose inclusion is expected by law. Plan fiduciaries will agree to provide appropriate documents evidencing such coverage promptly upon request.

### IRA Rollover Considerations

In determining whether to make an IRA rollover to MPM, clients must understand the differences between accounts to decide whether a rollover is best for them. Many employers permit former employees to maintain their retirement assets in their company plans. Further, current employees can sometimes move assets from their company plan before retiring or changing jobs. There are various factors MPM will consider before recommending retirement plan rollovers, including but not limited to the investment options available in the plan versus the other investment options available, plan fees and expenses versus those of alternative account types, the services and responsiveness of the plan's investment professionals versus those of MPM, required minimum distributions and age considerations, and employer stock tax consequences if any.

To the extent the following options are available, clients should carefully consider the costs and benefits:

1. leaving the funds in the 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, and
4. rolling the funds into an IRA rollover account.

Each of the above options has advantages and disadvantages. If you contemplate rolling over retirement funds to an IRA for us to manage, we encourage you to speak with your CPA or tax attorney before making a change.

The following are additional points for consideration before making any changes:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might wish to consider other investment types:
  - Employer retirement plans generally have a more limited investment menu than IRAs.
  - Employer retirement plans may have unique investment options not available to the public, such as employer securities or previously closed funds.
2. Consider plan fees - your current plan may have lower fees than MPM's fees:
  - 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.
  - 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 a higher risk than your plan's option(s).
4. Your current plan may also offer financial advice.
5. If you keep your assets in a 401(k) or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401(k) may offer more liability protection than a rollover IRA; each state may vary.
  - Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have mainly been protected from creditors in bankruptcies. However, there can be some exceptions to the usual 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 401(k), but not from an IRA.
8. IRA assets can be accessed anytime; however, distributions are subject to ordinary income tax and may be subject to a 10% early distribution penalty unless they qualify for an exception, such as disability, higher education expenses, or a home purchase.
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 MPM as the manager and keep the assets in the plan name.

### Educational Seminars & Workshop Services

MPM provides complimentary investment **Educational Seminars & Workshop Services** and can speak at community events and conferences on various investment topics on an "as-announced" basis for groups seeking general instruction on investments and other personal finance areas. Seminar and workshop content will vary depending upon the attendees' needs and are purely educational – they do not involve selling any investment products. The information presented will not be based on any individual's needs. MPM does not provide personalized investment advice to attendees during such events. MPM will only provide investment advice if engaged independently and only where the attendee's individualized financial information, investment goals, and objectives are known. Any materials provided are for general educational purposes and do not deliver specific accounting, investment, legal, tax, or professional advice. Attendees have no obligation to schedule a consultation, purchase services from MPM, or become clients.

### Client Tailored Services

MPM offers the same suite of services to all its clients. However, some clients will require only limited services due to the nature of their investments. Limited services are discounted at MPM's discretion, as detailed herein and defined in each client's written Agreement. *(For more information, see Item 5: Fees & Compensation.)*

### Client Imposed Restrictions

Clients can, at any time, impose restrictions on investing in particular securities or security types according to their preferences, values, or beliefs. Such restrictions must be submitted to MPM in writing. Clients can also amend/change such limitations by once again providing written instructions. Reasonable efforts are made to comply with client investment guidelines, including any client's reasonable limits by standard industry practices. *In imposing restrictions, it is essential to note that such conditions can affect a client's account performance and result in variations from a similar account without restrictions.*

It is important to note that client-imposed restrictions within their account and variations could result in positive or negative performance differences for the account compared to accounts without such limits. The restrictions can also potentially prevent achieving a client's specific goals. Upon receiving a client's written restrictions, MPM will discuss the restriction request's feasibility to confirm expectations are met and verify the client's acknowledgment and understanding of the imposed restriction's possible outcomes. MPM reserves the right to reject client-imposed restrictions or end the client relationship. Client-imposed limits will not be effective unless accepted by MPM in writing.

In no event, regardless of the advisory service provided, is MPM obligated to make any investment or enter any transaction it believes in good faith would violate any federal or state law or regulation.

### Types of Investments

#### Model Portfolios & Portfolio Investments

Where suitable for the Program Account and client, Representatives will typically recommend a Portfolio based on a Model Portfolio comprised of low-expense mutual funds, similar mutual fund families or variable annuity subaccounts allocated across equity, fixed income, cash, and such other asset classes as the Representative deems appropriate.

The Representative will monitor the Portfolio ongoing and rebalance it according to its target allocation, which the Representative considers appropriate in exercising the Representative's discretion, to strive to achieve the account's long-term objectives.

#### Cash, Cash Equivalents & Excluded Assets

Generally, the client is expected to deliver only cash or cash equivalents to the custodian for **MPM Program Services**. Representatives do not generally recommend investments in stocks, bonds, or other individual securities. With the Adviser's consent, the client may transfer securities to the custodian. Still, the securities will be liquidated to cash as soon as reasonably practical unless the Adviser agrees that such assets may be retained in the account.

The client may not transfer or deposit to the account any securities that are not publicly traded or that cannot be promptly sold, except upon our agreement, and such assets shall be held in the account as “Excluded Assets” for reporting purposes only. MPM will not be responsible for providing advice or managing any Excluded Assets. At our discretion, the client will grant the custodian and MPM the authority to liquidate securities transferred into the account or require the client to transfer such securities from the account upon request. In limited circumstances and to meet specific client needs, a Representative may recommend Portfolio investments in particular securities; however, most clients should not expect to hold individual stocks, bonds, or similar securities in their Portfolio.

Although MPM provides advice predominantly on the products listed above, the Adviser reserves the right to offer advice on any investment product deemed suitable for a client’s specific circumstances, needs, individual goals, and objectives and will use other securities to help diversify a portfolio when appropriate.

### Wrap Fee Programs

MPM does not offer a wrap fee program as part of its advisory services.

### Conflicts of Interest

Clients should know that the specific advisory services selected and the compensation to MPM and their Representative will differ according to the chosen service. The compensation we receive can be greater than the amounts otherwise received had the client participated in another service or paid separately for investment advice, brokerage, or other relevant services. Due to the differences in fee schedules among the various advisory programs and services offered by MPM and the client’s Representative, a conflict of interest exists when there is a financial incentive to recommend a particular service over others. Factors that bear upon the cost of a specific advisory program concerning the price of the same services purchased separately can include but are not limited to, the type and size of the account, the historical and expected size or number of trades for the account, and the number and range of supplementary advisory and client-related services provided to the account.

Clients are not obligated to act upon any recommendations or purchase products or services. If they elect to act on any recommendation received, they are not obligated to place the transaction through MPM or any recommended third party. The client can act on recommendations received by placing their business and securities transactions with any brokerage. MPM does not represent that the products or services offered are at the lowest available cost - clients could obtain the same or similar products or services at a lower price from other providers.

MPM has adopted and implemented compliance policies and procedures and a Code of Ethics (“Code”) to mitigate conflicts of interest. MPM’s Code is available for review free of charge to any client or prospective client upon request.

### Assets Under Management

As of December 31, 2023, our client assets under management total \$795,032,688. The following represents assets under management by account type:

Type of Account	Assets Under Management
Discretionary	\$ 335,934,224
Non-Discretionary	\$ 459,098,464
Total	\$ 795,032,688

## Item 5: Fees & Compensation

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### Advisory Services Fees & Compensation

MPM’s advisory clients agree to pay an asset-based Advisory Fee (“Advisory Fee”) calculated according to the schedules indicated herein.

### Fee Negotiation Availability

Under certain circumstances, all Advisory Fees – including any flat advisory fee (a “Flat Fee”) are negotiable up to the maximum annual rates listed herein, subject to certain limitations and approval by MPM. The Adviser, in its sole discretion, can charge lesser fees or choose to reduce or waive minimum fees for services based upon specific criteria such as pre-existing client

relationships, the number of related investment accounts, inception date, total account assets under management, expected additional assets, anticipated future earning capacity, account composition, referrals of other prospective clients, and client negotiations, among others. The Adviser may agree, at its discretion, to aggregate related client accounts to achieve the minimum account size requirements and determine fees.

At MPM's discretion, certain employee accounts or for members of a client's family or otherwise can be assessed fees based on the total balance of all accounts. Waivers, discounts or more favorable terms not generally available to other clients may be offered to family members and friends of employees and affiliates.

While MPM seeks to facilitate advantageous agreements for clients, to the extent fees are negotiable, some clients can pay higher (more) or lower (less) fees than other clients for services than if they had contracted directly with another provider. According to the selected advisory services, the final fee structures will be reflected in each client's written Agreement. Lower fees for comparable services can sometimes be available from other sources. In all cases, clients are responsible for any tax liabilities that result from any transactions.

*Regardless of fee negotiation availability, a client will not be required to pre-pay any MPM services Advisory Fee more than six months in advance in excess of \$1,200.*

### Fee Schedule

The following section describes the fees MPM charges for its advisory services, fee calculation methodology, and billing practices. It also provides other important considerations for clients regarding our fees and compensation.

*Because certain terms of a client's Advisory Agreement are negotiable, clients should always refer to their individual Advisory Agreement(s) for the particular terms and Fee Schedules applicable to them.*

### MPM Program Services Fees

The maximum Advisory Fee for **MPM's Program Services**, whether the **Managed Account Program Services** ("MPM Program") or the **Model Portfolio Provider Services**, is **1.50%** (150 basis points), expressed as an annual percentage but calculated and payable quarterly in arrears, whether as a fixed rate for all assets under management or as provided in a Fee Schedule included in the client's the Advisory Agreement.

If the client's Advisory Agreement contains a Fee Schedule that reflects a different Advisory Fee Rate at each Asset Value Tier, then the Advisory Fees under the client's Advisory Agreement shall be calculated using the "tiered" method of calculation, whereby the Advisory Fee is calculated for each Asset Value Tier in the Fee Schedule for which assets are present, using the Advisory Fee Rate that corresponds to that tier, as depicted on the Fee Schedule, and the value of assets in that tier, as of the date for which fees are being determined.

The maximum Advisory Fee reflected on a Tier Fee Schedule will not exceed the maximum 1.50% Advisory Fee Rate stated herein. Advisory Fees may be calculated based on the actual number of days in a calendar quarter or four even calendar quarters, as we elect to apply consistently.

### Flat Fee Option

Upon request of a Representative and at its sole discretion, MPM may agree to arrangements negotiated on a client-by-client basis for the client to pay a Flat Fee schedule arrangement according to the terms described below. MPM does not expect Flat Fee arrangements to be offered or used widely with MPM clients.

To participate in this type of fee arrangement, the client must agree and commit to:

- a minimum account / household size of \$1,000,000 to be invested through such an arrangement,
- maintain such minimum account value as long as the arrangement is in effect, and
- agree to restore any deficit in the account value below such minimum by the end of the calendar quarter following the quarter when any such deficit first arises; if the account value is not so restored, the Flat Fee arrangement will terminate, and the client will be charged the Advisory Fees at the rate otherwise provided according to the client's the Advisory Agreement.

The Flat Fee amount is negotiable on a client-by-client basis but will not exceed the maximum 1.50% Advisory Fee Rate stated herein. The Flat Fee is payable quarterly in arrears promptly after the end of each calendar quarter from the Program Account upon notice to the custodian. After the initial twelve-month period, the Flat Fee arrangement will continue month-to-month. MPM will provide sixty (60) days prior written notice of any changes in the Flat Fee amount.

Additional terms and conditions about Flat Fee arrangements are found in the Flat Fee Addendum (or similar written terms and conditions) to the client's Advisory Agreement.

### Fee Calculations

Except as otherwise described, **MPM Program Services** Advisory Fees are based on the value of Program Assets as of the last trading day of the calendar quarter, provided, for the last calendar quarter, the Advisory Fees are based on the value of Program Assets on and prorated through the last trading day of the term of the Agreement. Advisory Fees are due and payable immediately following the end of the calendar quarter. Advisory Fees are not charged based on a share of capital gains upon or appreciation of the funds or any portion of the funds of an advisory client.

### Account Valuation

Typically, the value of the Program Account and Program Assets will be based on the value reported by the client's custodian on its statements (or its internal electronic system), excluding the amount of any outstanding margin balances. If the last trading day of a calendar quarter or other period for which we calculate the Advisory Fees differs from the last day of a custodian's reporting or statement period, MPM may value Program Assets maintained by such custodian as of the close of the custodian's reporting or statement period, as we shall select consistently for each custodian.

Assets under management include all U.S. securities, non-U.S. securities, cash, and other instruments in a client's account as MPM advises. MPM considers cash to be an asset class. Investment advisory strategies often involve moving to cash positions for varying periods depending on market conditions. As a result, cash balances are included in the value of the assets under our management that are the basis for charging our Advisory Fee unless otherwise noted in the client's Agreement (i.e., outstanding margin balances). The Advisory Fee billed to the cash portion of client accounts will exceed money market yields when rates for such money market funds are lower than the Advisory Fees charged to the account. To calculate an account's net asset balance, we deduct the amount of any outstanding margin balances from the account's total gross asset balance but do not deduct the amount of any outstanding non-purpose loan balances. *(See Cash, Cash Equivalents & Excluded Assets and Valuation for additional information.)*

Fees are calculated per-account basis unless accounts are designated as part of a household, as MPM determines in its sole discretion. MPM will adjust its Advisory Fee to reflect contributions and withdrawals to and from accounts on a time-weighted basis. Thus, since accounts are billed in arrears, a net contribution during a quarter will *decrease* the total fee amount, while a net withdrawal will *increase* the fee amount. Advisory Fees may be calculated based on the actual number of days in a calendar quarter or four even calendar quarters, as we elect to apply consistently. *(See Account Additions, Withdrawals & Terminations for additional information.)*

If a custodian does not value the Program Account or any asset, or if we determine a custodian's valuation of the Program Account or an asset is materially inaccurate, MPM will value the Program Account or such asset in good faith to reflect its fair value. Money market accounts and bank accounts, if any, shall be valued as of the valuation date. Unsettled transactions may be included in either the current or the following period, as determined for the Program Account maintained with each custodian consistently. For alternative investment client account assets, the alternative investment managers and underlying vehicles are responsible for providing the custodian with an asset's valuation following applicable laws.

For clients with assets maintained with more than one custodian (or in more than one of our programs), we will typically calculate the value of accounts and the Advisory Fees separately for each Program and custodian, as we determine in our discretion; however, in our sole discretion, we may also aggregate the values for purposes of achieving any discounts which may be available under our Fee Schedule(s). The valuation method and periods used to value the account and calculate the Advisory Fees will be applied consistently for each custodian. Still, they may differ from the valuation method and periods used to value the account or calculate combined Advisory Fees of other custodians.



## Fee Billing

### *Custodial Account Fee Deduction*

MPM's policy is to directly deduct its advisory fee from the client's custodial account with written permission from the client. Clients are not generally permitted to choose to have the Advisory Fees billed directly to them for payment instead of debited from their custodian account; however, this arrangement may be negotiable at our sole discretion. The amount of the Advisory Fee deducted by the custodian will be reflected in the custodian's regular statements to the client.

The following requirements must be met to deduct Advisory Fees directly:

1. The client will authorize MPM in writing to directly deduct any MPM Advisory Fees due from their custodial account and provide the custodian with authorization to deduct such fees and instructions to remit them directly to MPM.
2. MPM will provide the client with an invoice reflecting the amount of the Advisory Fee due, the value of the assets on which the Advisory Fee is based, the period covered by the fee and the specific manner in which the fee was calculated.
3. The account custodian will agree to send the client a statement, at least quarterly, indicating all amounts disbursed from the client's account, including the amount of all Advisory Fees paid directly to MPM.

Fee payment is due upon receipt of our instructions.

MPM's Advisory Fees will be payable first from the client account's free credit balances, money market funds, or cash equivalents if any, and second from liquidating a portion of the client's securities holdings. Please note that ongoing fees reduce the value of an investment portfolio over time; the deduction of Advisory Fees from the account's assets means that clients have less money invested to generate a return. Further, if mutual funds (or variable annuity subaccounts) are liquidated, the client may be charged a contingent deferred sales charge, a redemption or surrender fee, or a fee to discourage short-term trading of fund shares. If the liquidated securities have declined in value, the client will realize a loss and lose the opportunity for future appreciation of the securities. Clients are encouraged to discuss the impact of fees with their Representative.

When authorized by the client to debit Advisory Fees from client accounts, MPM is deemed to have custody of client assets to the extent we are permitted to instruct custodians to deduct our Advisory Fees. As noted previously, the client's custodian will send the client account statements, at least quarterly, itemizing activity and account transactions, specific investments held in the account, the portfolio's value, deposits, withdrawals and Advisory Fees that occurred during the period of the statement. These statements will be delivered by postal mail or electronically, as the client selects.

MPM urges clients to promptly review any statements they receive directly from their custodian or otherwise upon receipt to ensure account transaction accuracy. Clients should also compare their account(s) investment performance against the appropriate benchmark applicable to the type of investments held in the account and any periodic information from us. We also urge clients to compare their custodial account statements with any report or data they may receive from us promptly upon receipt to ensure the accuracy of account transactions. Information obtained from us can vary based on accounting procedures, reporting dates, or valuation methodologies. *(See Item 15: Custody for additional information.)*

If any inconsistent information is found between an MPM invoice and the statement(s) clients receive from their custodian, please contact us at 800-814-1706.

If a client is not receiving statements directly from their custodian, in addition to promptly advising their representative, MPM also recommends contacting their custodian directly.

### **Financial Planning Services, Extended Financial Planning Services & Consulting Services Fees**

**Financial Planning Services** and **Consulting Services** fees typically range from **\$100 to \$400 hourly** to **\$15,000** (or more) on a fixed fee basis, depending on the scope and complexity of the engagement and the professional providing the underlying services. The fee arrangement will be described in the client's Financial Planning Services or Consulting Services Agreement.

For hourly arrangements, the Advisory Agreement will reflect the agreed-upon hourly rate, an estimate of the total hours projected to complete the service, and the total expected fee. The client will pay a deposit of half (50%) of the fee upon contract execution, with the balance due upon completion of the agreed services, as provided in the executed services Agreement.

Fees for **Extended Financial Planning Services** are negotiated similarly to those for standard services. The Representative will consider the ongoing nature of the services, frequency of client meetings and other contacts, the overall scope of services over the initial one-year period as well as intermediate and longer terms, prospects for future investment management services, and the cost of providing the additional financial services which the client selects, among other factors when determining fees. The Representative will then provide the client with the estimated service costs before entering the Agreement. Fees are generally paid monthly or quarterly in advance, with the client permitted to terminate the agreement upon written notification and receive a refund of any unearned, prepaid fees based on the services rendered by the Representative.

Financial Planning Services and Consulting Services terminate upon completing the services described within each executed Agreement. Alternatively, either party may terminate the Agreement at any time upon written notification. If clients engage us for additional advisory services, MPM will often discuss offsetting a portion of its fees based on the fees and services in the client's initial Financial Planning Services or Consulting Services engagement.

### ERISA, Retirement & Employee Benefit Plan Services Fees

**ERISA, Retirement & Employee Benefit Plan Services** fees are assessed on the same basis as the above-referenced **MPM Program Services** fees.

### Third-Party Management Referral Services Fees

MPM's fees for its **Third-Party Management Referral Services** are based on a percentage of assets managed within the client's referred advisory account. This service's maximum Advisory Fee to MPM under our Advisory Agreement is **1.50%** (150 basis points), expressed as an annual percentage. The specific selection of other advisers' fees and relationships will be disclosed within the contract between MPM and each independent third-party manager to whom it introduces clients. MPM's portion of the total management fee represents the maximum it may earn under the referred advisor's program, billed and deducted according to the client's asset management services above. Final fee structures between the client and their referred manager will be designated within the third-party manager's IMA.

Referred managers will collect fees and then remit them directly to MPM, as established on a client-by-client basis, based on how the manager charges the referred client. MPM does not access client accounts to debit or collect any fees due - any fees received by MPM will come directly from the referred managers with whom the clients choose to do business. Clients are informed of the amount to be received by MPM via this revenue-sharing arrangement in MPM's Form ADV disclosure documents, Advisory Agreement, and fee disclosure information they receive/accept at the time of relationship inception. The fee arrangement is again detailed within each referred manager's Form ADV Part 2A, other disclosure documents, and the separate IMA the client enters with their chosen TPM. MPM's fees are charged in addition to each referred manager's fee. As disclosed herein, MPM's portion of the total management fee represents the maximum fee MPM may earn under the TPM Program. The fees shared will not exceed the limits imposed by any regulatory agency.

### Educational Seminars & Workshop Services

**Educational Seminars & Workshops Services** are provided free of charge.

### Account Additions, Withdrawals & Terminations

Clients can make **additions** to their MPM accounts in cash or securities at any time. As indicated above, MPM reserves the right to liquidate any transferred securities or decline to accept particular securities into the client's account. If MPM liquidates transferred securities, clients can be subject to additional fees such as transaction fees, other fees assessed at the mutual fund's level, such as contingent deferred sales charges, and tax ramifications.

Clients can make **withdrawals** from their MPM accounts at any time in cash or securities. Withdrawals are subject to the usual and customary securities settlement procedures. The Adviser designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. Clients may consult with their Representative about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and tax ramifications, for example.

Generally, account **terminations** can be made to an MPM services Agreement by written notice without penalty within five (5) business days after the Agreement execution date. If, for some reason, the client has prepaid any of their Advisory Fees, the

client shall receive a full refund thereof. The "Effective Date" of the Advisory Agreement shall be determined according to the terms of the Advisory Agreement; provided, if the Advisory Agreement does not define such term, then the Effective Date shall be the date on which a counterpart of the Advisory Agreement was executed on behalf of the last person to sign. After that, the Agreement between MPM and the client will continue in effect until either party terminates the Agreement following the terms of the Agreement. *(Note: A "business day" shall be when the New York Stock Exchange is open for trading.)*

Terminations become effective on receipt of such notice and will not affect:

- the validity of any action previously taken by the Adviser under the Agreement,
- liabilities or obligations of the parties from transactions initiated before termination of the Agreement, or
- the client's obligation to pay management and other fees due, prorated through the termination date.

Upon receiving the termination notice of the agreement, MPM will take steps to deliver cash/and/or securities as per the client's instructions. Clients can incur liquidation fees or contingent deferred sales charges if securities are liquidated. Depending on market conditions, a liquidation can result in a loss. In addition, the custodian or broker-dealer liquidating the security positions can impose additional fees. The client may have to wait for specific redemption schedules if they hold certain alternative investments and/or illiquid securities. Additionally, if the client transfers their account to another firm, they can pay an outgoing account transfer fee.

MPM bills clients in arrears for advisory services that have already been rendered. Therefore, refunding any unearned Advisory Fees at account termination is unnecessary.

If the client is a natural person, the client's death, disability, or incompetency will not terminate or change the terms of an Agreement. Instead, the Agreement shall immediately terminate upon the Adviser's receipt of written notice of the client's death. The disability or incompetency of the client will not terminate or change the terms of this Agreement; however, the client's executor, guardian, attorney-in-fact, or other authorized representative can terminate this Agreement by giving written notice to MPM. Before termination, all directions given or actions taken or omitted by MPM before the effective termination of the Agreement shall be binding upon the client and any successor or legal representative. The Adviser will no longer be entitled to receive fees from the termination date and has no obligation to recommend or act concerning an account's securities, cash, or other investments on the terminated Agreement. After the Agreement is terminated, the client will monitor all transactions and assets.

### Other Fees & Expenses

Advisory fees are separate and distinct from other costs and expenses clients may incur in connection with their Program Accounts. A list of some of these additional fees and expenses includes but is not limited to the following:

#### *Mutual Funds, ETFs & Pooled Investment Vehicle Fees*

Mutual funds generally offer multiple share classes available for investment based on specific eligibility and/or purchase requirements. If such investments are selected for a client's account, the client and all other shareholders will pay an Advisory Fee to the funds' investment advisers. In addition to those underlying Advisory Fees, the client will bear a proportionate share of the fund's expenses, including 12b-1 fees and shareholder sub-accounting and distribution expenses. Each offering prospectus will describe the offering's complete fees and expenses, which can vary depending on the share class. Fee and internal expenses can be higher or lower depending on the selected share class. Certain funds do not charge a transaction fee but have higher internal expenses. Choosing funds with higher fees and costs can adversely impact an account's long-term performance. The appropriateness of a particular fund share class selection depends upon several considerations.

Further, not all funds and share classes offered to the public are available through MPM, which a client might otherwise be eligible to purchase. Clients should consider these and our investment fees to fully understand the total amount paid when evaluating the advisory services provided.

Before recommending this purchase, the Representative will analyze whether the recommended fund share class is in the client's best interest. When recommending these investments, it is MPM's policy to consider all available share classes and select and recommend, whenever possible, that clients invest in the lowest cost share class available based on the client's needs and various other factors, including but not limited to minimum investment requirements, trading restrictions, internal expense structure, transaction charges and availability, among others. For example, in addition to retail share classes - typically

Class A, B, or C shares, mutual fund companies may offer institutional or other share classes specifically designed for purchase by investors who meet particular eligibility criteria. Institutional share class mutual funds typically cost less than other share classes. Generally, they do not have an associated 12b-1 fee, leading to a lower overall expense ratio than other class shares of the same mutual fund.

Therefore, in most cases, Representatives recommend that institutions or advisers share classes with the lowest expense ratios. These are less expensive than other share classes and are usually available to investors in qualified fee-based adviser programs or accounts meeting specific minimum investment requirements. When deemed appropriate for an investor's specific situation, Representatives can sometimes recommend selecting or holding a mutual fund share class that charges higher internal expenses than other available share classes for the same family.

For share classes transferred in from other institutions, Representatives will, as soon as practicable upon receipt, evaluate whether more appropriate share classes may be available for the client to exchange at no cost and recommend that the client switches to a lower-cost share class or recommend liquidating the existing holdings, which could result in the client having to pay contingent deferred sales charges, or other redemption fees and tax implications. Despite such considerations, MPM clients should not assume they will be invested in the share class with the lowest possible expense ratio.

#### *Fees Charged by Custodians & Other Financial Institutions*

In addition to the above, clients should also be aware that MPM's Advisory Fees are exclusive of bank, custodial or brokerage fees, commissions, trading and transactional costs, liquidation/transfer/termination fees, costs associated with certificate delivery or dealer profits, taxes, duties, and other governmental charges on brokerage accounts and securities transactions, wire and other transfer fees, mark-ups, mark-downs, regulatory fees, and other costs and expenses for the trades conducted in their custodial accounts. Clients must pay the price of the services provided by their custodian for arranging for the receipt and delivery of securities that are purchased, sold, borrowed or loaned for their Program Account; making and receiving payments concerning the Program Account transactions and securities; maintaining custody of Program Account securities and cash, receiving dividends, and processing exchanges, distributions, and rights accruing to the client's account, among others. The custodian may be compensated through commissions or other transaction-based fees for securities transactions executed through the custodian (or its affiliates), asset-based fees for investments settled into the custodian's accounts, or both.

Client custodial costs can also include transactions in foreign securities and execution on foreign stock exchanges, resulting in foreign or other transaction expenses and costs associated with international exchange transactions. Additional securities fees and expenses can be incurred and will vary considerably based on individual Portfolio construction.

Some other customary fees and expenses clients can pay to other parties in connection with their accounts can include but are not limited to:

*Margin Interest* – the interest the client pays to a custodian /broker-dealer on loans to finance the purchase or sale of securities or securities in their investment account. The interest rate charged and other information about the loan, including how interest is calculated and other disclosures of risk and liability, will be described to the client in the separate margin account agreement the client executes with their custodian/broker-dealer. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may be shown on a client's statement for the margined security due to a lower net market value, the fee amount charged by MPM for our advisory services is based on the *absolute market value* of the client's account. To calculate an account's net asset balance, we deduct the amount of any outstanding margin balances from the account's total gross asset balance but do not deduct the amount of any outstanding non-purpose loan balances. This means if a client chooses to loan their securities, MPM will only charge the fee on the net value of the account (i.e., we will discount the net margin balance). Using margin can also result in interest charges and all other fees and expenses associated with the security involved, and

*Securities Execution Transaction Fees* –as noted previously, these are the fees charged by a clearing broker-dealer to an introducing broker-dealer and passed through to the client for payment relating to the purchase and sale of securities in their investment account. A schedule of charges relating to the purchase and sales by type of security is provided to the client by each account's custodian/broker-dealer of record, as well as any changes or updates to such fee schedules. The exact fees and terms of each custodian's services are described in the agreement the client will execute with their account custodian. (*Refer to Item 12: Brokerage for additional information.*)

The client must understand that all fees paid to MPM for investment advisory services are separate and distinct from the asset-based management fees charged by managers of mutual funds, ETFs, and pooled investment vehicles in which a client invests, as well as those other additional fees discussed herein. MPM does not receive any portion of these fees, commissions, costs, or expenses; *these fees are exclusive of and in addition to MPM's advisory services fees.* We also do not reduce or offset our Advisory Fees by any 12b-1 fees or sales-related compensation that Representatives receive from a custodian, other brokers, mutual fund companies, or insurance companies based on or as a result of a client's purchase or sale of securities, insurance, or other investment products, or the value of a client's account, free credit balance, margin account balance, or retirement account balances. Unless otherwise noted on the Agreement, MPM clients will be subject to our Advisory Fees in addition to the other fees and expenses listed above, according to the type of advisory service selected and portfolio investments held, and they are responsible for paying all applicable third-party fees.

### Fees & Compensation Evaluation

To fully understand the total account costs they will pay, it is the client's responsibility to read and understand not only this document and MPM's Agreement but also the offering documents, prospectus, disclosures, and other legal documentation they receive from their custodian and on any securities products that explain the difference in the fees, costs, expenses, commissions and other related information for securities purchased or sold in the client's investment account as well as the disclosures made regarding all fees charged by MPM, the custodian/broker-dealer, and others, as applicable for the type of account established. When evaluating the overall costs and benefits of MPM advisory services, clients should consider not just the Advisory Fees but also, but not limited to, brokerage and investment expenses, investment company expenses, custodial expenses and all disclosures previously noted. Clients should carefully consider all of these direct and indirect fees and costs for our services and the investment products MPM recommends to fully identify the total costs and assess the value of our advisory services.

MPM does not represent that our products or services are provided at the lowest cost. Our Advisory Fees and the expenses for our advisory services may be higher than those charged by other advisers or financial services firms for similar services. Clients could obtain the same or similar products or services at a lower price from different providers and will choose whether to act on recommendations to purchase investment products. Clients who decide to buy a recommended investment product can purchase the same or similar through any broker or agent, including those not affiliated with MPM. *(See Item 8: Methods of Analysis, Investment Strategies & Risk of Loss, Item 10, Financial Industry Activities and Affiliations, and Item 12: Brokerage Practices for additional information about the fees associated with our advisory service offerings.)*

Investment products are usually not FDIC insured, insured by any federal government agency, or a deposit, other obligation of, or guaranteed by MPM.

### ITEM 6: Performance-Based Fees & Side-by-Side Management

Performance-based fees are based on a share of 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. MPM does not accept performance-based fees or participate in side-by-side management.

### ITEM 7: Types of Clients

#### Types of Clients

MPM provides investment advisory services to the following types of clients:

- individuals *(including high-net-worth individuals)*,
- pension & profit-sharing plans,
- trusts, estates & charitable organizations,
- corporations & other business entities.

#### Minimum Investment

MPM does not charge a minimum fee or have a minimum account size to participate in its advisory services outside of the minimum \$1,000,000 investment required of those clients who choose to invest and maintain participation in our portfolio management services under MPM's **Flat Fee** arrangement. However, certain investment products can require annual minimum fees or asset levels for participation.

MPM can waive account Advisory Fees or account minimums for employee, employee-related, and affiliate employee accounts.

There are no ongoing contribution requirements for client accounts, although this practice is highly recommended for continuing savings, asset allocation, and tax efficiency.

Before investing in such products, clients should thoroughly review disclosure materials or brochures and consult with their Representative about the implications of such minimum requirements.

## ITEM 8: Methods of Analysis, Investment Strategies & Risk of Loss

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### Methods of Analysis

MPM uses various methods and analysis techniques to inform the development of investment guides and recommendations for investment solutions for its clients. Multiple sources of information are used as part of the investment analysis process, which can include but are not limited to:

- financial publications/newsletters/magazines,
- research materials prepared by others,
- corporate rating services,
- SEC filings (*such as annual reports, prospectus, 10-ks*), and
- company press releases.

MPM's investment philosophy is grounded in **Modern Portfolio Theory**, which refers to attempting to reduce the risk in a portfolio through systematic diversification across asset classes and within those particular asset classes for equities and bonds. We emphasize the analysis of mutual funds and fund managers in selecting the investments that comprise client portfolios, with additional consideration of market and economic factors in the specific allocations and weightings within each portfolio, as well as decisions affecting changes in Portfolio investments, allocations, and weightings.

Additional methods of analysis used in managing client portfolios include:

*Fundamental Analysis* - a security evaluation method that measures intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (i.e., the overall economy and industry conditions) and company-specific factors (i.e., the general financial health of companies, quality of management, or competitive advantages). Fundamental analysis involves analyzing a company's income statement, financial statements and health, management and competitive advantages, competitors and markets. The fundamental analysis school of thought maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Profits can be made by trading the mispriced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This security analysis method is considered the opposite of technical analysis. 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 as unforeseen market conditions and company developments may result in significant price fluctuations that can lead to investor losses.

*ETF & Mutual Fund Analysis* - In analyzing mutual funds, Representatives will study the experience and track record of the Portfolio Managers to determine if they have demonstrated the ability to invest successfully over periods and in different economic conditions. They will also consider whether there is a significant overlap with the underlying investments held by other mutual funds. The funds will be monitored to determine if they continue to follow their stated investment strategies, and the Portfolio Manager fees and internal expenses will be assessed to determine if the client is receiving adequate value for these fees and expenses. A risk of our mutual fund analysis is that, as in all investments, past performance does not guarantee future results. A successful Portfolio Manager may not be able to replicate that success. In addition, since we do not control the underlying investments in a fund, the managers of different mutual funds in a client's account may purchase the same security, increasing the risk to the client if that security were to

decline in value. There is also a risk that a manager may deviate from the fund's stated investment mandate or strategy, making the fund less suitable for the client's account. Moreover, MPM does not control the Portfolio Manager's daily business or compliance operations, and we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies. Investing in a mutual or exchange-traded fund ("ETF") involves risk, including losing principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains if they sell securities for a profit that a corresponding loss cannot offset. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf.

The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intra-day changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to the actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is usually calculated at least once daily for indexed-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist.

Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares. ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks daily, mathematical compounding may prevent the ETF from correlating with the performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index but are expected to yield similar performance.

### Investment Strategies

Our investment strategies and advice will vary depending on each client's financial situation as we determine investments and allocations based on their predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other suitability factors appropriately identified and included in their best interest objective. Therefore, clients must notify us immediately regarding any material changes to their financial circumstances, including, for example, a change in their current or expected income level, tax circumstances, or employment status. Client restrictions and guidelines will also affect the composition of their account. Clients are also advised that when balancing portfolios, Representatives will consider only the client account's managed assets, not other investments the client may hold elsewhere.

### Cash Management

In managing the cash maintained in client accounts, MPM will utilize only the cash vehicles (i.e., money market funds) made available by the client's custodian. In most cases, at least a partial cash balance will be maintained to allow for the debit of Advisory Fees or anticipated cash distributions to clients. Other cash management options may be available away from the custodian for clients with higher yields and/or safer underlying investments. *(Note: Investment products are usually not FDIC insured, insured by any federal government agency, a deposit, other obligation, or guaranteed by MPM.)*

### Tax Considerations

MPM's strategies and investments can have unique and significant tax implications. Striving to minimize and control the client's investment fees and expenses are top priorities in our investment strategy and tax-managed accounts to control the timing and recognition of taxable gains and losses to the extent of the information the client provides, the instructions of the client and the client's tax advisors, and applicable tax laws and regulations as we understand them. The client must acknowledge that MPM and their Representative are not acting as accountants or tax advisors and are not providing tax advice; the client must rely on their own tax advisors for the tax consequences of transactions involving the Program Assets, provided, in any situation where one of the Accountants or Accounting Firms described in Item 10: Other Financial Industry Activities & Affiliations, serves as

the client's tax adviser, the client acknowledges the Accountant and Accounting Firm are providing such advice in their separate capacities and is not provided by or on behalf of MPM. The Adviser has no responsibility or liability for the advice provided in such an individual capacity.

Regardless of client account size or any other factors, MPM strongly recommends that our clients continuously consult with a tax professional before and throughout investing their assets. Qualified Custodians will typically default to the FIFO ("First-In, First-Out") accounting method for calculating portfolio investment cost basis. Clients are responsible for contacting their tax advisor to determine if this accounting method suits them. If a client or their tax advisor believes another accounting method is more advantageous, immediately notify our firm and the account custodian of the selected accounting method in writing. *(Note: Decisions about cost-basis accounting methods must be made before trades settle, as the cost-basis method cannot be changed after settlement.)*

### Risks of Specific Securities Utilized

MPM seeks investment strategies that do not involve significant or unusual risk beyond the general domestic and international equity markets. Yet, in some instances, methods with a higher risk of capital loss may be utilized. Since investment strategies and advice are based on each client's financial situation, the advice we provide to one client may differ or conflict with that provided for the same security or investment for another, as each client's needs and risk tolerance differ.

Each type of security has its unique set of risks associated with it, and it would be impossible to list all the specific risks of every type of investment here. Even within the same kind of investment, risks can vary widely. However, generally, the higher the anticipated return of an investment, the higher the risk of associated loss. Investing also risks missing more favorable returns that could be achieved by investing in alternate securities or commodities. Any of our investment strategies may lead to a loss of investments, especially if the markets move against the client, and clients should be aware of the material risk of loss when using any investment strategy.

*Clients are advised that investing in securities involves the risk of losing the entire principal amount invested, including any gains - they should not invest unless they can bear these losses.*

MPM generally recommends low-expense mutual funds, similar mutual fund families or variable annuity subaccounts allocated across equity, fixed income, cash, and other asset classes as the Representative deems appropriate. Yet, the Adviser reserves the right to advise on any suitable investment product for a client's specific circumstances, needs, and individual goals and objectives and will use other securities to help diversify a portfolio when applicable and appropriate. As a result, clients should be aware of the following description of these different security types and some of their inherent risks:

**Annuities** - annuities are financial products that pay out a fixed stream of payments to an individual, primarily used as an income stream for retirees. The period when an annuity is funded before the payouts begin is called the accumulation phase. The annuitization phase begins once payments commence. Annuities can be structured as fixed or variable. Fixed annuities provide regular periodic payments to the owner/annuitant. Variable annuities allow the owner/annuitant to receive larger periodic payments if the investments in the annuity do well; however, if the investments do poorly, the owner/annuitant will receive smaller payments. Annuities can often incur additional charges, expenses, and miscellaneous fees separate from those charged by an investment adviser.

**Bank Obligations** - including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are affected by interest rates and may be adversely affected by downturns in the US and foreign economies or banking regulation changes.

**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" before maturity. When a bond is called, it may be impossible to replace it with a bond of equal character, paying the same rate of return.

**Bond Funds** - have higher risks than money market funds, primarily because they typically pursue strategies to produce higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high-quality or short-term investments. Because there are many different bonds, these funds can vary dramatically in their risks and rewards. Some risks associated with bond funds include credit, interest rate, and prepayment risks.

**Certificates of Deposit Risk** - certificates of deposit ("CDs") 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 a risk that inflation outpaces the CD's return. Certain CDs are traded in the marketplace and not purchased directly from a banking institution. In addition to trading risk, the FDIC does not cover the price when CDs are purchased at a premium.

**Corporate Bond Risk** - corporate bonds are debt securities to borrow money. Issuers pay investors periodic interest and repay the amount borrowed periodically during the life of the security or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest but are priced at a discount from their face values, and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the higher its interest rate risk.

**Environmental, Social & Governance ("ESG") Risks** - ESG strategies are relatively newer to the investment industry and continue to evolve. A portfolio that employs an ESG strategy may seek to achieve ESG-related outcomes, gain exposure to overall ESG performance or particular ESG themes, and/or screen out specific companies and industries. Such ESG strategies may reduce or increase a portfolio's exposure to certain companies or sectors and may forego particular investment opportunities. Such portfolios' performance results may be lower than those of other portfolios that do not seek to invest in issuers based on ESG characteristics or use different criteria when screening particular companies and industries. There is also a risk that the relevant ESG criteria may not be correctly applied, or a portfolio could have indirect exposure to issuers that do not meet the relevant ESG criteria used by such a portfolio. Further, there may be limitations concerning the readiness of ESG data in specific sectors and limited availability of investments with relevant ESG characteristics in others. An ESG assessment of an underlying fund or a particular investment may change over time. While ESG considerations may potentially contribute to a portfolio's long-term performance, there is no guarantee that such results will be achieved.

**Exchange-Traded Funds ("ETFs")** - are typically investment companies classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds, particularly when ETF shares are listed on a securities exchange. An ETF is designed to track the price of an index or a collection of underlying assets as closely as possible. Shares can be bought and sold like shares of publicly traded companies throughout the day and may trade at a discount or premium to their NAV. This difference between the bid and ask prices is often called the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and it is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as investment companies under the Investment Company Act of 1940, like traditional mutual funds, some ETFs (particularly those that invest in commodities such as gold and precious metals) are not registered as investment companies. ETFs may be closed and liquidated at the discretion of the issuing company. Leveraged ETFs, in particular, present distinct risks and are not appropriate for all investors. Leveraged ETFs should be utilized only by those investors who understand the risks of seeking daily leveraged and inverse investment results, generally for short-term active trading in an actively monitored and managed investment program. Investors must be aware of the daily nature of the leveraged and inverse investment strategies employed, high expense ratios, and lack of guarantee of long-term inverse returns, among other considerations, before participating in this type of investment.

**Exchange-Traded Notes ("ETNs")** - an ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to various assets, such as commodity futures, foreign currency, and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption depends on the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may carry particular risks. ETNs may be closed and liquidated at the discretion of the issuing company.

**Fixed Income Call Option Risk** - including agency, corporate and municipal bonds and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are disadvantages to the call provision: the cash flow pattern of a callable bond is not known with certainty because the issuer will call the bonds when interest rates have dropped. There is exposure to reinvestment rate risk - investors will have to reinvest the proceeds received when the bond is called at lower interest rates. The capital appreciation

potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

*Limited Partnerships, Limited Liability Companies & Business Development Company Risks* - limited partnerships, limited liability companies and business development companies represent different forms of ownership of investment assets. These entities are investment vehicles that may own full or partial interest in various operating businesses. The types of operating companies may include but are not limited to equipment leasing, oil and gas, alternative energy, and real estate.

*Money Market Fund Risks* - a money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, the share price is not guaranteed to stay at \$1/share. You can lose some or all of your principal if the share price decreases. The U.S. Securities and Exchange Commission notes, "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 down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than expected, you may need more cash. A final risk you are taking with money market funds is inflation. Because money market funds are considered safer than other investments like stocks, long-term average returns on money market funds tend to be less than long-term average returns on riskier investments. Over long periods, inflation can eat away at your returns.

*Municipal Securities Risks* - municipal securities, while generally thought of as safe, can have significant risks associated with them, including, but not limited to, the creditworthiness 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" before maturity. When a bond is called, it may not be possible to replace it with one of equal character paying the same amount of interest or yield to maturity. Municipal securities are backed by either the full faith and credit of the issuer or by revenue generated by a specific project - like a toll road or parking garage for which the securities were issued. The latter type of securities could quickly lose value or become virtually worthless if the expected project revenue does not meet expectations.

*Mutual Fund Risks* - mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. Mutual funds can also be "closed-end" or "open-end." So-called "open-end" mutual funds allow new investors indefinitely, whereas "closed-end" funds have a fixed number of shares to sell, limiting their availability to new investors. Some mutual funds are "no-load" and charge no fee to buy into or sell out of the fund; others charge such fees, which can also reduce returns. Mutual funds are sold with different share classes and will offer investors discounts on sales charges, as described and explained in each fund's prospectus. Funds will have a manager who trades the fund's investments following the fund's investment objective. Mutual fund shares held in client accounts may also be subject to 12b-1 fees, short-term redemption fees, and other fund annual expenses. No-load or load-wave mutual funds used in client portfolios would not have initial or deferred sales charges; however, if a fund that imposes sales charges is selected, the client may pay an initial or deferred sales charge. Non-advisory accounts typically have upfront or back-end charges. Each fund's prospectus fully describes these fees and costs. If clients have mutual funds in their portfolio, they will pay their adviser and any third-party manager, custodian, and mutual fund manager to manage their assets and other fund expenses paid by the fund's shareholders. If clients transfer in particular share classes of mutual funds and liquidate the shares after the transfer, those shares can also incur contingent deferred sales charges ("CDSCs") from the mutual fund company if they are within the CDSC holding period. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small-cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates on a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. In short, all these costs of managing the funds can reduce the fund's returns.

*Options* - options are complex securities involving risks that are not necessarily in everyone's best interest. Options trading can be speculative and carry a substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts: a call gives the holder the right to buy an asset at a certain price within a specific period. Calls are similar to having a long position on a stock. Buyers of calls hope the stock will increase substantially before the option expires, and a put gives the holder the right to sell an asset at a certain price within a specific period. Puts are very similar to

having a short position on a stock. Put buyers hope that the stock price will fall before the option expires. The option trading risks of options buyers are the risk of losing your entire investment in a relatively short period. This risk increases if, as expiration nears, the stock is below the call's strike price (for a call option) or if the stock is higher than the put's strike price (for a put option). European-style options that do not have secondary markets on which to sell the options before expiration can only realize their value upon expiration. In addition, specific exercise provisions of a particular option contract may create risks, and regulatory agencies may impose exercise restrictions, which stop you from realizing value. Selling options is more complicated and can be even riskier. The option trading risks for options sellers include but are not limited to:

- options sold may be exercised at any time before expiration,
- covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock,
- writers of naked calls risk unlimited losses if the underlying stock rises,
- writers of a naked put are exposed to a maximum loss of the strike price less the premium received from the sale,
- writers of naked positions run margin risks if the position goes into significant losses, and such risks may include liquidation by the broker,
- writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock - an example of how the leverage in options can work against the options trader,
- writers of naked calls must deliver shares of the underlying stock if those call options are exercised,
- call options can be exercised outside of market hours such that the writer of those options cannot perform effective remedy actions,
- writers of stock options are obligated under the options that they sold even if a trading market is not available or they cannot perform a closing transaction, and
- the value of the underlying stock may surge or drop unexpectedly, leading to automatic exercises.

Other option trading risks include the complexity of some option strategies carrying a significant risk on their own, option trading exchanges or markets and options contracts are open to changes at all times, options markets have the right to halt the trading of any options, thus preventing investors from realizing value, there is a risk of erroneous reporting of exercise value, investors trading through that firm may be affected if an options brokerage firm goes insolvent, and Internationally traded options have unique risks due to timing across borders. Risks not specific to options trading include market, sector, and individual stock risks. Option trading risks are closely related to stock risks, as stock options are derivatives of stocks.

**Options Contracts Risks** - Options are complex securities that involve risks and are not suitable for everyone. Options trading can be speculative and carry a substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts. A call gives the holder the right to buy an asset at a certain price within a specific period. Calls are similar to having a long position on a stock. Buyers of calls hope the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period. Puts are very similar to having a short position on a stock. Put buyers hope that the stock price will fall before the option expires. Selling options is more complicated and can be even riskier. Option buyers and sellers should know the option trading risks associated with their investment(s).

**Real Estate Risks** - real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and growing concerns about the future long-term variability of stock and bond returns. Real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and, thus, real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

**Real Estate Investment Trust Risk** - a real estate investment trust ("REIT") is a corporate entity that invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs must declare 90% of their taxable income as dividends, but they pay dividends out of funds from operations. Hence, cash flow has to be strong, or the REIT must either dip into reserves, borrow to pay dividends or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding and getting harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, leading to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends. REITs have specific risks, including valuation due to cash flows, dividends paid in stock rather than cash, and debt payment resulting in the dilution of shares.

**Securities Futures Contracts** - a futures contract (on tangibles and intangibles) is a standardized, transferable, exchange-traded contract requiring delivery of a commodity, bond, currency, or stock index specified price on a selected specified price future date. Unlike options the holder may or may not choose to exercise, futures contracts must purchase the underlying asset at a set future date. The holder of a futures contract must have sold it by that date or be prepared to pay for and take delivery of the underlying asset. Material risks can include but are not limited to futures contracts that have a margin requirement that must be settled daily, there is a risk that the market for a particular futures contract may become illiquid, and the market price for a specific commodity or underlying asset might move against the investor requiring that the investor sell futures contracts at a loss.

### Risks of Loss & Other Types of Risk

Clients should remember that investing in securities involves a risk of loss that they should be prepared to bear, and past performance does not indicate future results. Over time, assets will fluctuate and be worth more or less than the initial invested amount. Depending on the investment type, differing risk levels will exist. MPM cannot guarantee or promise that a client's financial goals and objectives will be met. When evaluating risk, financial loss may be viewed differently by each client. It may depend on many distinct risks, each affecting the probability and magnitude of potential losses.

The following risks, which are not all-inclusive, are additional risks provided for careful consideration by a prospective client before retaining our services.

*Note: Items are presented alphabetically for ease of reading, not in order of importance.*

**Adviser's Investment Activities** - our investment activities involve risk. The performance of any investment is subject to numerous factors that are neither within the control of nor predictable by MPM. As further detailed within this section, decisions made for client accounts are subject to various market, currency, competitive, economic, political, technological, and business risks, and a wide range of other conditions - including pandemics or acts of terrorism or war, which may affect investments in general or specific industries or companies. The securities markets may be volatile, and market conditions may move unpredictably or behave outside the range of expectations, adversely affecting a client's ability to realize profits or resulting in material loss. Client and MPM investment decisions will not always be profitable.

**Business Risk** - is the risks associated with a specific industry or company.

**Competition Risk** - the securities industry and advisers' varied strategies and techniques are incredibly competitive. Advisory firms, including many larger securities and investment banking firms, may have more significant financial resources and research staff than this firm.

**Conflicts of Interest** - advisers face inherent conflicts when administering client portfolios and financial reporting. They mitigate these conflicts through comprehensive written supervisory compliance policies and procedures and a Code of Ethics, which ensures that the client's interest is always held above that of the firm and its associates.

**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.

**Currency/Exchange Risk** - overseas investments are subject to fluctuations in the dollar's value against the investment's originating country's currency.

*Diversification Risk* - a portfolio may not be widely diversified among sectors, industries, geographic areas, or security types or may not necessarily be diversified among many issuers. These portfolios might be subject to more rapid change in value than would be the case if the investment vehicles were required to maintain a broad diversification among companies or industry groups.

*Equity Investment Risk* - generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the stock's value increases. An inherent risk is involved when purchasing a stock that may decrease value; the investment may incur a loss.

*Financial Risk* - is the possibility that shareholders will lose money when they invest in a company with debt if its cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders should the company become insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

*Foreign/Non-U.S. Investments* - from time to time, advisers may invest and trade a portion of client portfolios in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social, and economic developments abroad, as well as risks resulting from the differences between the regulations to which US and foreign issuers and markets are subject. Such risks may include political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, limitations on the use or transfer of portfolio assets, enforcing legal rights in some foreign countries is difficult, costly, and slow. There are sometimes unique problems enforcing claims against foreign governments, and foreign securities and other assets often trade in currencies other than the US dollar. Advisers may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect an investment's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the US dollar relative to these other currencies may cause the value of an investment to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in the value or liquidity of an investor's foreign currency holdings. If an investor enters forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if an investor enters forward contracts to increase return, it may sustain losses. Non-U.S. securities, commodities, and other markets may be less liquid, more volatile, and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing, and financial reporting standards, and there may be less public information about issuers' operations in such markets.

*Hedging Transaction Risk* - investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of their portfolio positions because of changes in currency exchange rates, interest rates, and the equity markets or sectors thereof. Any hedging against a decline in portfolio positions' value does not eliminate fluctuations in portfolio positions' values or prevent losses if such positions decline but establishes other positions designed to gain from those same developments, thus moderating the portfolio positions' decline value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions increases.

*Horizon & Longevity Risk* - the risk that your investment horizon is shortened because of an unforeseen event, such as losing your job. This may force you to sell investments you were expecting to hold for the long term. You may lose money if you must sell when the markets are down. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for retired people or those nearing retirement.

*Inflation & Interest Rate Risk* - security prices and portfolio returns will likely vary in response to inflation and interest rate changes. Inflation causes 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 fixed-income investments to decline.

*Lack of Registration Risk* - funds, private placements, or LP interests have neither been registered under the Securities Act, securities, or "blue sky" laws of any state and, therefore, are subject to transfer restrictions and legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

*Leverage Risk* - leverage requires the pledging of assets as collateral, and margin calls or changes in margin requirements could result in the need to pledge additional collateral or liquidate account holdings, requiring the account to close positions at substantial losses not otherwise be realized. There can be an increase in the risk of loss and

volatility for accounts that use leverage by engaging in short sales, entering swaps and other derivatives contracts, or different leveraging strategies.

*Limited Partnerships Risk* - a limited partnership is a financial affiliation with at least one general partner and several limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner runs the business and has management authority and unlimited liability. And, in the event of bankruptcy, it is responsible for all debts not paid or discharged. The limited partners have no management authority, and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks depends on the nature of the partnership and is disclosed in the offering documents if privately placed. Publicly traded limited partnerships have similar risk attributes to equities. However, like privately placed limited partnerships, their tax treatment differs from the equities' tax regime. Investors should consult with their tax adviser regarding their tax treatment.

*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 selling the investment may not be possible.

*Long-Term Trading Risk* - long-term trading is designed to capture return and risk market rates. Due to its nature, the long-term investment strategy can expose clients to risks that typically surface at multiple intervals when they own the investments. These risks include but are not limited to inflation (purchasing power) risk, interest-rate risk, economic risk, market risk, and political/regulatory risk.

*Margin Risk* - securities purchased on margin in a client's account are a firm's collateral for a client's loan. If the account securities decline in value, so does the value of the collateral supporting the loan, and, as a result, the firm can act by issuing a margin call or selling securities or other assets in any of the accounts the investor may hold with the member, to maintain the required equity in the account. Understanding the risks involved in trading securities on margin is essential. These risks include but are not limited to losing more funds than deposited in the margin account, the firm forcing the sale of securities or other assets in the account(s) or selling securities or other assets without contacting the investor, or the investor not being entitled to choose which securities or other assets in their account(s) can be liquidated or sold to meet a margin call. Further, a firm can increase its "house" maintenance margin requirements without providing an advance written notice, without entitlement to an extension of time on the margin call.

*Market Risk* - market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the investment value regardless of the issuer's operational success or financial condition. The price of a security, option, bond, or mutual fund can drop due to tangible and intangible events and situations. External factors cause this risk, independent of a security's underlying circumstances. The adviser cannot guarantee that it will accurately predict market, price, or interest rate movements or risks.

*Market Timing Risk* - based on charting and technical analysis, the risk of market timing is that charts may not accurately predict future price movements. Current securities prices may reflect all information known about the security. Daily changes in market prices of securities may follow random patterns and may not be predictable with reliable accuracy. 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. The risk of cyclical analysis is that economic/business cycles may not be predictable and have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict accurately. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and, consequently, the changing value of securities that would be affected by these trends.

*Material Non-Public Information Risk* - because of their responsibilities in connection with other adviser activities, individual advisory Associates may occasionally acquire confidential or material non-public information or be restricted from initiating transactions in specific securities. The adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may be unable to initiate a transaction that it otherwise might have started and may not be able to sell an investment it otherwise might have sold.

*Non-U.S. Investment Risk* - investment in non-U.S. issuers or securities principally traded outside the United States may involve certain unique risks due to economic, political, and legal developments, including but not limited to favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, risks relating to political, social and economic developments abroad, as well as risks resulting from the

differences between the regulations to which U.S. and foreign issuers and markets are subject and the imposition of withholding taxes on dividend or interest payments.

*Political & Legislative Risk* - companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the U.S. or those conducting a substantial amount of their business outside the U.S.

*Portfolio Turnover Risk* - an account's investment strategy may require active portfolio trading. As a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

*Private Investment Risk* - investments in private funds, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments, are highly illiquid and long-term. A portfolio's ability to transfer or dispose of private investments is expected to be highly restricted. The ability to withdraw funds from LP interests is usually restricted following the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets or disrupting the fund's investment strategy.

*Private Placement Risks* - a private placement (non-public offering) is an illiquid security sold to qualified investors and not publicly traded or registered with the Securities and Exchange Commission. Private placements generally carry a higher degree of risk due to this illiquidity. Most securities acquired in a private placement will be restricted and must be held for an extended time and, therefore, cannot be easily sold. The range of risks depends on the nature of the partnership and is disclosed in the offering documents.

*Public Information Accuracy Risk* - an adviser can select investments, in part, based on information and data filed by issuers with various government regulators or other sources. Even if they evaluate all such information and data or seek independent corroboration when it's considered appropriate and reasonably available, the Adviser cannot confirm its completeness, genuineness, or accuracy. In some cases, complete and accurate information is not available.

*Recommendation of Particular Types of Securities Risk* - we may advise on other investments as appropriate for each client's customized needs and risk tolerance. Each security type has its unique set of risks, and it would be impossible to list all the specific risks of every investment type here. Even within the same kind of investment, risks can vary widely. However, the higher the anticipated investment return, the greater the risk of associated loss.

*Reinvestment Risk* - the risk that future investment proceeds must be reinvested at a potentially lower return rate. Reinvestment Risk primarily relates to fixed-income securities.

*Reliance on Management & Key Personnel Risk* - occurs when investors have no right or power to participate in a firm's management. Investors must be willing to entrust all management aspects to a company's management and key personnel. The investment performance of individual portfolios depends mainly on the skill of key personnel of a firm, including its sub-advisors, as applicable. If key staff were to leave the firm, the firm might not find equally desirable replacements, and the accounts' performance could be adversely affected.

*Short-Sales Risk* - short sales can, in certain circumstances, increase the impact of adverse price movements on the portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, resulting in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Small & Medium Cap Company Risk* - securities of companies with small and medium market capitalizations are often more volatile and less liquid than larger companies' investments. Small and medium-cap companies may face a higher risk of business failure, increasing the client's portfolio's volatility. While smaller companies generally have the potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, trading frequency and volume may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to broader price fluctuations.

*Stock Risk* - 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 company's financial health issuing it. However, stock prices can be affected by many other factors, including but not limited to the class of stock, such as preferred or common, the health of the issuing company's market sector, and the economy's overall health. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap"). Still, the sheer size of an issuer is not, by itself, an indicator of the safety of the investment.

*Stock Fund Risk* - although a stock fund's value can rise and fall quickly (and dramatically) over the short term, stocks have performed better over the long term than other investments—including corporate bonds, government bonds, and treasury securities. Overall, “market risk” poses the most significant potential danger for investors in stock funds. Stock prices can fluctuate for various reasons, such as the economy's overall strength of demand for products or services.

*Stock Market Risk* - a stock's market value will fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term because of factors affecting individual companies, industries, or the securities market. The past performance of investments is no guarantee of future results.

*Strategy Restrictions Risk* - individual institutions may be restricted from directly utilizing some investment strategies the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their advisors, counsel, and accountants to determine what restrictions apply and whether certain investments are appropriate.

*Strategy Risk* - an adviser's investment strategies and techniques may not work as intended.

*Structured Products Risk* - a structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. A derivative component is often an option. The note provides periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell the security or securities at a predetermined price to the investor. Other products use the derivative component to provide for a call option written by the investor that gives the buyer the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of the principal if held to maturity. However, these products are not always insured by the Federal Deposit Insurance Corporation (“FDIC”); the issuer may only insure them and thus have the potential for loss of principal in the case of a liquidity crisis or other solvency problems with the issuing company. Investing in structured products involves many risks, including but not limited to fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and other events that are difficult to predict.

*Supervision of Trading Operations Risk* - an adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. However, despite their efforts, there is a risk of unauthorized or otherwise inappropriate trading activity in portfolio accounts. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients can be exposed to risks specific to the securities in their respective investment portfolios.

*Systematic Risks* - these are risks related to a broad universe of investments. These risks are also known as non-diversifiable risks, as diversification within the system will not reduce risk if the system loses value.

*Trading Limitation Risk* - for all securities, instruments, or assets listed on an exchange, including options listed on a public exchange, the exchange has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render specific strategies challenging to complete or continue, subjecting the Adviser to loss. Such a suspension could make it impossible for an adviser to liquidate positions and expose the Adviser to potential losses.

*Turnover Risk* - at times, the strategy may have a higher portfolio turnover rate than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect an account's performance.

*Undervalued Securities Risk* - identifying investment opportunities in undervalued securities is complex, and there are no assurances that such opportunities will be successfully recognized or acquired. While undervalued securities can sometimes offer above-average capital appreciation opportunities, these investments involve high financial risk and can result in substantial losses. Returns generated may not compensate for the business and financial risks assumed.

*Unsystematic Risks* - these are risks uniquely related to a specific investment. Also known as "diversifiable risks," theoretically, diversifying different investments may reduce unsystematic risks significantly.

*Warrant Risks* - a warrant is a derivative (security that derives its price from one or more underlying assets) that confers the right, but not the obligation, to buy or sell a security – typically equity – at a specific price before the expiration. The



price at which the underlying security can be bought or sold is the exercise or strike price. Warrants that confer the right to buy a security are called warrants; those that confer the right to sell are known as put warrants. Warrants are in many ways similar to options. The main difference between warrants and options is that warrants are issued and guaranteed by the issuing company. In contrast, options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. Warrants do not pay dividends or come with voting rights.

*Withdrawal of Capital Risks* - an Offering Memorandum's withdrawal provisions usually restrict the ability to withdraw funds from the funds, private placement, or LP interests. Investors' substantial withdrawals within a short period could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, reducing the value of the fund's assets and disrupting the fund's investment strategy.

MPM does not represent or guarantee that the services provided or any analysis methods provided can predict future results, successfully identify market tops or bottoms, or insulate investors from losses due to market corrections or declines. There is no guarantee of client account future performance or any level of performance, the success of any investment decision or strategy used, overall account management, or that any investment mix or projected or actual performance shown will lead to expected results or perform in any predictable manner. Past performance is not indicative of future results. The investment decisions made for client accounts are subject to various market, currency, economic, political, and business risks (in addition to those listed above) and will not always be profitable. The outcome(s) described, and any strategies or investments discussed may not be suitable for all investors. Further, there can be no assurance that advisory services will result in any particular result, tax, or legal consequence.

*An investment could lose money over short or even long periods. Clients should expect their account value and returns to fluctuate within a wide range, like the overall stock and bond market fluctuations.*

Before acting on MPM's analysis, advice, or recommendation, clients should consult with their legal counsel, tax, and other financial Investment Professionals, as necessary, to aid in due diligence as proper for their situation and decide the suitability of the risk associated with any investment. Clients are encouraged to direct questions regarding risks, fees, and costs to their applicable Representative.

## **ITEM 9: Disciplinary Information**

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### **Legal or Disciplinary Event Disclosure**

Registered investment advisers such as MPM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the investment adviser or the integrity of its Management. Neither MPM nor its Management have any current disciplinary or legal proceedings or outstanding issues to disclose - MPM is registered as an investment adviser without restriction.

Certain current or prior MPM Representatives and the Adviser can have historical disclosures involving specific regulatory, legal, or disciplinary events or actions for matters that have been resolved. MPM encourages clients to view our disclosure documents directly at the SEC's IAPD website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our firm name, MPM Wealth Advisors or CRD # 104926. The SEC's website also provides information about any affiliated person registered or required to be registered as an Investment Adviser Representative ("Representative") of the firm, including disclosure items (if any).

Copies are also available by contacting us at 800-814-1706 or by e-mail at [compliance@mpmwealth.com](mailto:compliance@mpmwealth.com).

## **ITEM 10: Other Financial Industry Activities & Affiliations**

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MPM is an independent investment advisory firm that provides the investment advisory services indicated within this Form ADV 2A Disclosure Brochure. We do not engage in business activities or offer services other than those described herein. Certain MPM Associates may sell additional products or provide services outside their roles with the Adviser, as indicated in their Form ADV 2B Brochure Supplements and herein. (Note: See "Conflicts of Interest" at the end of this section for additional important information on the following disclosures.)

### Broker-Dealer & Registered Representatives of a Broker-Dealer

MPM is not registered and does not intend to register as a broker-dealer. In connection with their approved outside business activities, certain of MPM's Investment Professionals are Registered Representatives ("RRs") of non-affiliated broker-dealers, Member [FINRA](#) and [SIPC](#). When acting in the capacity of RRs of such unaffiliated firms, these Associates will sell, for commissions, securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity, or others to clients and receive commission-based compensation in connection with the purchase and sale of such securities, including 12b-1 fees for the sale of investment company products. Clients are advised that when an MPM Investment Professional offers brokerage products in the capacity of an RR through an unaffiliated broker-dealer, they are not acting in a brokerage capacity or on behalf of MPM concerning the services provided under our Agreement. MPM's Investment Professionals who offer brokerage services through unaffiliated broker-dealers are independent contractors of such companies. Any compensation earned by these individuals in their capacities as RRs is separate and in addition to MPM's Advisory Fees.

### Registration as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor

Neither MPM nor any Management Persons are registered or intend to register as a futures commission merchant, commodity pool operator, commodity trading adviser, or an Associated Person of the preceding entities.

### Accountants

Accountants at certain "Accounting Firms" (i.e., Kissling and Associates, Beene Garter, A Doeren Mayhew Firm and AlphaTax Accounting and Tax Service) typically recommend MPM to clients requiring advisory services. Conversely, MPM will typically recommend these Accounting Firms to advisory clients needing accounting services. Certain MPM Associates are employed by some of these firms as Accountants, as disclosed within their Form ADV 2B Brochure Supplements. Clients are advised that the accounting services these Accounting Firms provide are separate and distinct from MPM's advisory services and are provided for separate and typical compensation. No advisory client is obligated to use the Accounting Firms for any accounting services; conversely, no accounting client is obligated to use the advisory services provided by MPM. The MPM Associates who are employed as Accountants at these firms (as applicable) spend most of their time on their accounting practice. (See *Item 14: Third-Party Referral Arrangements and "Conflicts of Interest" at the end of this section for additional important information.*)

### Designations

Certain MPM Investment Professionals can hold various other designations in connection with their approved outside business activities, such as real estate agents or otherwise, separate from their role as MPM Representatives. MPM does not solicit clients to utilize services concerning these designations or related outside business activities. Associates' recommendations or compensation for such designation services are separate from MPM's advisory services and fees. Further, clients are not obligated to act upon any recommendations received by these individuals or affect any transactions through the Associate if they decide to follow any recommendations received in this capacity.

### Insurance Agents

Some MPM Investment Professionals are licensed as independent insurance agents through non-affiliated insurance companies offering fixed, fixed index, variable annuities, life, or long-term care universal life or other insurance products. In this capacity, these Associates may recommend that clients buy or sell securities or insurance products entirely separate from investments made for the client's MPM advisory account. In such capacity, these insurance-licensed Associates can recommend to MPM clients and receive separate, yet customary, commission compensation, including bonuses and trail commissions, from the purchases and sales of these products from the insurance agencies with whom they are presently or with whom they may become appointed in the future in addition to their compensation from MPM. Any commissions, fees and other compensation paid for these products under such arrangements are separate from MPM's Advisory Fees and Agreements. Insurance services clients may also use MPM for investment advisory or financial planning services. When making insurance recommendations, the Adviser is subject to conflicts of interest when providing investment advisory services, as such conflicts can affect the objectivity of the advice provided to advisory clients. Clients are under no obligation, contractually or otherwise, to purchase insurance products or receive investment advice through insurance-licensed Associates in their capacities as insurance agents and have the right to decide whether or not to act on such recommendations. If clients elect to act on any recommendation received, they retain the right to purchase such products or services from any broker-dealer, insurance agency, or financial institution of their choosing, which firms may charge less (or more) for such products or services.

## Recommendation of Other Investment Advisers

### *Third-Party Money Managers*

MPM will direct clients to third-party money managers and compensate them via a fee share from those clients who utilize the adviser's Selection of Other Advisers **Third-Party Management Referral Services**. Before selecting an unaffiliated third-party investment adviser or money manager to participate in this service offering, MPM will review the manager to ensure they fit the Adviser's models' criteria and confirm that they are appropriately licensed and registered as investment advisers. Fees shared will not exceed any limit imposed by any regulatory agency. MPM will disclose any conflicts of interest involving the advice or service provided. Referred investors will enter a separate IMA with the third-party asset manager and receive the manager's disclosure documents. The relationship will be disclosed in each contract between MPM and the third-party money managers and to the client via additional disclosure documents. Neither MPM nor its Advisor Representatives will exercise discretion or make investment choices or recommendations in the accounts held with referred third-party money managers. As of the date of this brochure, MPM maintains such arrangements with [Alliance Bernstein](#), [Dimensional Fund Advisors](#) ("DFA" or "Dimensional") and [Exceed Advisory, LLC](#), wholly owned by Exceed Investment ("Exceed Investments").

## Third-Party Platform Providers

### *Pontera*

MPM utilizes [Pontera](#), a third-party platform, to facilitate the management of held-away assets for accounts not held directly within our custody. The platform allows MPM to avoid being considered to have custody of client funds since the Adviser does not have direct access to client log-in credentials to affect trades (i.e., where we maintain discretion, primarily defined contribution plan participant accounts such as 401(k) accounts, HSAs, and other assets, under this arrangement, we do not have custody). We are not affiliated with the platform in any way and receive no compensation from Pontera for using the platform. The client will provide a link to connect account(s) to the platform. Once the client accounts are connected to the platform, MPM will review the client's current account allocations and regularly evaluate the available investment options in the accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary, and may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. MPM will rebalance the account when necessary, considering client investment goals, risk tolerance, and current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that can negatively impact account performance. Client account(s) are reviewed at least quarterly, with allocation changes made as deemed necessary.

## Other Business Relationships

MPM uses third-party resources to help run its business and provide services to its clients, mostly back-office related. MPM sources these professionals acting in a client's best interest with fiduciary responsibility while focusing on finding the highest value-added providers to service clients. While the Adviser has developed a network of professionals - accountants, lawyers, and otherwise, neither MPM nor its Associates receive compensation for such use or referrals.

## Conflicts of Interest

The possibility of receiving additional compensation from selling securities or insurance products to a client provides an economic incentive for a Representative to recommend products based on the compensation to be received rather than on a customer's investment needs. Making clients aware of other financial activities, affiliations, designations, relationships, and services presents a conflict of interest since MPM Associates may have an economic incentive to submit advisory clients to specific companies or services over others due to compensation received in connection with the transaction rather than client need. This is a conflict of interest that clients should consider. MPM addresses this conflict of interest by requiring Associates to always act in each client's best interests when making such recommendations and fully disclose such relationships before the transaction. If offering clients advice or products outside of MPM, Associates satisfy this obligation by advising and revealing the nature of the transaction or relationship, their role and involvement in the transaction, and any compensation to be paid and received before transaction execution. When acting in this capacity, the firm's policy is that Associates communicate clearly to prospective or existing clients that they are not acting on behalf of MPM, the investment adviser or under any MPM Advisory Agreement.

Clients are not obligated to act upon any recommendations received, implement any recommended transaction(s) through the Adviser, or purchase any additional products or services offered. The ultimate decision to accept any recommendation and retain products or services remains at the client's sole discretion.

Additional details of how MPM mitigates conflicts of interest can be found in the firm's comprehensive written compliance supervisory policies and procedures and Code of Ethics. MPM's Code is available for review free of charge to any client or prospective client upon request.

## **ITEM 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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### **Code of Ethics**

Rule 204A-1 under the Advisers Act requires all investment advisers registered with the SEC to adopt a Code of Ethics that sets forth standards of conduct and requires the investment adviser's Supervised Persons to comply with the federal securities laws. MPM takes its regulatory and compliance obligations seriously and recognizes its statutory duty to oversee the advisory activities of the Supervised Persons who act on its behalf. The Adviser believes each of its advisory clients is owed the highest level of trust and fair dealing and holds Associates to a very high standard of business practices and integrity. To that end, MPM has adopted a Code of Ethics that sets forth the firm's conduct standards in keeping with its fiduciary obligation.

MPM strives to comply with applicable laws and regulations governing our practices. MPM's Code requires all Associates to exercise a fiduciary duty by acting in each client's best interest while consistently placing the client's interests first and foremost. The Code applies to all Associates, including individuals registered with the Adviser as Representatives and considered 'Supervised Persons' under the Advisers Act. The Code can also be applied to anyone the Chief Compliance Officer designates.

MPM's Code outlines and prohibits certain activities deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict) and specifies reporting requirements and enforcement procedures. Associates must abide fully by all applicable industry regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code, including any updates.

MPM's Code of Ethics is distributed to each Associate at the time of hire, annually, and periodically after that. Our Code requires an affirmative commitment by Associates that they will abide by all state and federal securities laws and provisions relating to client information confidentiality, a prohibition on insider trading, restrictions on the acceptance of significant gifts, outside activities reporting, and personal securities trading procedures for Access Persons, among others. Associates must attest no less than annually to their compliance with and understanding of the above matters - including confirmation and acknowledgment by every Representative of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required. In addition, MPM provides annual training related to the Code of Ethics and monitors the activities of its Supervised Persons on an ongoing basis. A free copy of our Code of Ethics is available for review to clients and prospective clients upon request by email at [compliance@mpmwealth.com](mailto:compliance@mpmwealth.com) or by calling 800- 814-1706.

### **Recommendations of Investments Involving Material Financial Interests**

Certain MPM Management persons maintain their own real estate development and rental businesses. Occasionally, clients have invested in promissory notes issued by companies controlled by these persons, secured by mortgages or similar security instruments. Management persons benefit economically from client participation in these investments as the promissory notes recommend financing the real estate projects can raise significantly more capital for such ventures than obtaining funding from commercial lenders. These economic benefits create a conflict of interest because they can incentivize recommending investments based on the Management person's financial benefits rather than the client's investment needs.

Although these transactions are not conducted directly by MPM, given these individuals' positions in the company and the fact they are engaging in transactions with clients (although with assets not managed by MPM), MPM is sensitive to the treatment of this practice and these clients.

MPM addresses this conflict of interest by requiring Management persons to always act in each client's best interests when making such recommendations and fully disclose such relationships to Compliance and clients before the transaction. If offering clients advice or products outside of MPM, Management persons satisfy this obligation by advising and revealing the nature of the transaction or relationship, their role and involvement in the transaction, and any compensation to be paid and received before transaction execution. Clients are not obligated to act upon any recommendations received or purchase any additional products or services offered. The ultimate decision to accept any recommendation and retain products or services remains at the client's sole discretion.

Additional details of how MPM mitigates conflicts of interest can be found in the firm's comprehensive written compliance supervisory policies and procedures and Code of Ethics. A free copy of our Code of Ethics is available for review to clients and prospective clients upon request by email at [compliance@mpmwealth.com](mailto:compliance@mpmwealth.com) or by calling 800- 814-1706.

### Investments in Securities Recommended to Clients

Individuals associated with MPM may buy or sell securities for their personal accounts that are identical to or different from those recommended to clients. MPM's policy is that no Supervised Person shall put their interests before those of any advisory client or make personal investment decisions based on the client's investment decisions. Subject to the Code of Ethics, MPM and its Supervised Persons are permitted to trade for their own accounts side-by-side and in block transactions with MPM's clients in the same securities and at the same time. We have adopted the procedures described below to address the actual conflicts of interest raised by this policy.

### Investments Around Time of Client Transactions

Subject to the procedures in this section, MPM and its Supervised Persons are permitted to trade for their accounts side-by-side with clients in the same securities at or around the same time as clients on the same trading day and aggregate trades for their proprietary accounts with trades for client accounts. They are also permitted to buy or sell securities for their accounts identical to those recommended to clients. MPM has adopted the following procedures to address the conflicts of interest arising from this practice and to prevent its Supervised Persons from benefiting from transactions placed on behalf of advisory accounts:

- MPM prohibits Supervised Persons from purchasing or selling securities other than mutual funds or securities not treated as "reportable securities" immediately before client transactions.
- No director, officer, or Associate shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, because of their employment unless the information is also available to the investing public on reasonable inquiry.
- No director, officer, or Associate shall knowingly prefer their interest to an advisory client's.
- MPM maintains records of securities it and its Access Persons hold, which are reviewed regularly by Representatives and Supervisory Personnel.
- MPM emphasizes the unrestricted right of the client to decline to implement any advice it has rendered except where it has entered an order according to the exercise of discretionary authority.
- MPM requires all Associates to act following all applicable federal and state laws and regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to discipline, including termination.

## ITEM 12: Brokerage Practices

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### Recommending Custodians & Brokers

MPM does not have physical custody of client funds or securities other than the standard business practice of deducting advisory fees from client accounts with the client's written permission. The Adviser prohibits the firm or its Associates from obtaining, accepting, or maintaining custody of client funds, securities, or assets in any manner. Client assets are required to be held with an independent "Qualified Custodian," who will keep all cash, securities and other assets in an account with the custodian governed by a separate written brokerage and custodial account agreement between the custodian and client.

Account checks, funds, wire transfers, and securities will be delivered directly between the client and the custodian of the record. MPM is not authorized to withdraw any money, securities, or other property from any client custodial account in the client's name or otherwise.

After appropriate due diligence and careful consideration of the brokerage practices disclosed within this section, MPM selected **Charles Schwab & Co., Inc.** ([Schwab](#)), an SEC-registered broker-dealer and Member [FINRA](#) and [SIPC](#) as its preferred Qualified Custodian. Schwab is an unaffiliated and independent broker-dealer who will take possession of the cash, securities, and other assets within the client's portfolio account and buy and sell securities upon our instructions, as indicated in each client's written Agreement and the documents they execute to establish their custodial account unless the client directs otherwise.

MPM requires clients to use Schwab as the custodian for their MPM advisory portfolio accounts. The insurance company (or its transfer agent) must serve as the custodian for investments in subaccounts of variable annuities. Schwab (and any required

insurance/variable annuity custodian) are collectively called “custodians.” The client will ultimately decide whether to open the account by entering into an account agreement directly with the custodian; MPM does not open client custodial accounts. If clients do not wish to place their assets with our preferred Qualified Custodian, MPM will not manage their account(s). Please note that not all advisers require clients to use a custodian the adviser selects. *(Note: Even though MPM directs its clients to maintain their advisory account at a particular custodian, under certain circumstances, MPM may still be able to use other brokers to execute trades for the client's account, as described below.)*

### Factors Used to Select & Recommend Custodians & Broker-Dealers

MPM seeks to select and recommend a custodian who will hold client assets and execute transactions on terms most advantageous to other available providers and their services. While the Adviser has designated Schwab as its recommended Qualified Custodian, it will occasionally review other custodians to determine the reasonableness of charges. In studying the topic and selecting a custodian, MPM will make a good faith determination that the amount of the commission charged is reasonable given the value of the brokerage and research services received. The analysis will vary and can include a review of any combination of the following:

- the combination of transaction execution services along with asset custody services - generally without a separate fee for custody,
- the capability to execute, clear, and settle trades - buy and sell securities for a client's account,
- ability to facilitate transfers and payments to and from accounts, such as wire transfers, check requests, bill payments,
- competitive trading commission costs,
- reporting tools, including cost basis and 1099 reports facilitating tax management strategies,
- personal money management tools such as electronic fund transfer capabilities, dividend reinvestment programs, and electronic communication delivery capabilities,
- financial stability to ensure individual accounts, including primary and backup account insurance,
- the breadth of investment products made available,
- the availability of investment research and tools that assist us in making investment decisions,
- customer service levels and quality of services,
- the competitiveness of the price of those services, such as commission rates, margin interest rates, and other fees and the willingness to negotiate them,
- the reputation, financial strength, and stability of the provider, and
- the availability of other products and services that benefit us.

**The following is a description of some standard support services advisers like MPM can receive from their preferred Qualified Custodian(s):**

### Services That Benefit You

Custodial services include access to various institutional investment products, securities transaction execution, and custody of client assets. The investment products available include some that MPM might not otherwise have access to or some that would require a significantly higher minimum initial investment by our clients. The services available are subject to change at the discretion of each custodian.

### Services That Will Not Always Directly Benefit You

Custodians make other products and services available to MPM that benefit us but do not directly benefit our clients or their accounts. These products and services assist MPM with managing and administering client accounts. These can include software and other technology, both a custodian's own and that of third parties, which can be used to service all, some, or a substantial number of our client accounts and assist with the following:

- providing access to client account data *(such as duplicate trade confirmations and account statements)*,
- facilitating trade execution and allocating aggregated trade orders for multiple client accounts,
- pricing and other market data,
- facilitating the payment of our fees from our client's accounts, and
- assisting with back-office functions, recordkeeping, and client reporting.

### Services that Generally Benefit Only Us

Custodians also offer other services to help us further manage and develop our business enterprise. These services can include:

- educational conferences and events,
- technology, compliance, legal, and business consulting,
- publications and conferences on practice management and business succession, and
- access to employee benefits providers, human capital consultants and insurance providers.

Custodians may provide some of these services directly or, in other cases, will arrange for third-party vendors to provide the services to MPM. They may also discount or waive fees for some of these services, pay all or a part of a third party's fees, or provide us with other benefits, such as occasional business entertainment for MPM personnel.

### Custody & Brokerage Costs

Custodians generally do not charge advisory client custodial accounts separately for their services. They are compensated by charging clients commissions or other fees on the trades they execute or settle in the custodial accounts. Custodians will charge clients a percentage of the dollar amount of assets in the account for some custodial client accounts instead of commissions. Custodian commission rates and asset-based fees applicable to client accounts are negotiated based on an adviser's commitment to maintaining client assets in custodial accounts. This commitment benefits clients because clients' commission rates and asset-based fees are generally lower than if the adviser had not committed. In addition to commissions or asset-based fees, custodians charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade an adviser executes by a different broker-dealer, where the securities bought or the funds from the securities sold are deposited (settled) into a custodial account. These fees are in addition to the commissions or compensation clients pay the executing broker-dealer. Because of these additional costs, MPM executes trades through the custodian; it is unlikely that trades will be placed through other brokers. *(For additional details, clients should refer to their Custodian's specific "Fee Schedule.")*

### Brokerage Services Do Not Benefit Specific Accounts

MPM does not attempt to put a dollar value on the valuable benefits and services each account receives from a custodian, nor does it try to allocate or use the economic benefits and services received from a custodian for the benefit of the accounts maintained with that custodian, or attempt to use any particular Item to service all accounts. Some of the products and services made available by custodians may benefit MPM but may not benefit all or any of MPM's client accounts. The benefits and services MPM receives from a custodian help MPM fulfill its overall client obligation.

### Soft Dollars

MPM generally does not engage in formal soft dollar arrangements where MPM commits to direct portfolio brokerage commissions to a broker-dealer in return for specified brokerage or research services that MPM may use in making investment decisions for its clients. However, MPM receives benefits and services described above from the custodians. Section 28(e) of the Securities Exchange Act of 1934 provides that an advisor does not breach fiduciary duties under state or federal law solely by causing its clients' accounts to pay brokerage commissions in excess of the amount another broker-dealer would have charged if the adviser determines in good faith that the commissions are reasonable in relation to the value of brokerage and research services received. MPM's policy is to operate within the safe harbor of Section 28(e).

### MPM Interest In Custodial Services

Custodians serve independent investment firms, providing advisers and their clients access to institutional brokerage services such as trading, custody, reporting, and related services – many of which are not typically available to retail customers. Custodial support services are generally unsolicited; advisory firms do not have to request them. These various support services help an investment adviser manage or administer client accounts and manage and grow the advisory business. An adviser is offered these services at no charge if qualifying amounts of client account assets are maintained with the custodian.

The availability of these services from the custodians benefits MPM because it does not have to produce, purchase, or pay for them so long as it keeps at least a minimum amount of client assets in the custodial accounts (typically, \$10 million - please contact us directly for current qualifying amount numbers from our preferred Qualified Custodians). These services are not contingent upon us committing any specific amount of business to the custodians in trading commissions or assets in custody. However, if we did not recommend the custodians' services, it is unlikely that we would continue to receive their services. Our interest in continuing to receive the custodians' services gives us an incentive to recommend clients maintain accounts with the custodians based on our interest in receiving these services that benefit our business rather than on the client's interest in

receiving the best value in custodial services and the most favorable execution of our transactions. This is a conflict of interest. We believe, however, that our selection of the custodians as custodians and brokers is in the best interests of our clients. Our custodian selection is primarily supported by the scope, quality, and price of the custodians' services, not those that benefit only us.

Although we strive to address this conflict in a way consistent with our fiduciary duty, our judgment may be affected, so our efforts may not be entirely successful. To help mitigate this conflict, we have adopted procedures to analyze periodically the services and programs provided by or available through our brokers, to evaluate the usefulness of these services in relation to the costs of the services, and to assess the overall quality of the services. We offer no assurance that the commissions or investment expenses clients will incur by using our recommended custodian(s) as their custodian and broker will be as low as those other firms charge for similar services. Lower costs may likely be available for comparable services from other advisers, brokers or custodians, and by paying lower costs, clients could significantly improve their long-term performance.

### Custodial Statements

The client's account custodian will send the client account statements, at least quarterly, itemizing activity and account transactions, specific investments held in the account, the portfolio's value, deposits, withdrawals and advisory fees that occurred during the period of the statement. These statements will be delivered by postal mail or electronically, as the client selects.

MPM urges clients to promptly review any statements they receive directly from their custodian or otherwise upon receipt to ensure account transaction accuracy. Clients should also compare account investment performance against the appropriate benchmark applicable to the type of investments held in the account and any periodic information from us. Please be advised that MPM cannot guarantee the accuracy or completeness of any report or other information provided to the client by the custodian or another service provider. MPM encourages clients to question their assets' custody, safety, security, or any statements received and report inconsistencies. If a client believes there are any inaccuracies or discrepancies in any reports received from their custodian or us directly, or if they do not understand the information in any report, document or statement received, they should promptly *and in all cases before the next statement cycle*, report any items of concern to their Financial Advisor or MPM directly. Unless the client indicates otherwise, by promptly notifying us in writing of concerns regarding statements received, investments MPM's Representatives make at the client's direction and in line with their stated investment objectives or on their behalf shall be deemed to conform with the client's investment objectives.

All verbal communications, inquiries, or concerns about their account statements should be re-confirmed in writing.

If clients are not receiving statements, at least quarterly, from their custodian, they should promptly inform their custodian directly and their Representative.

### Best Execution

MPM acts on its duty to seek "best execution." As a matter of policy and practice, MPM conducts initial and ongoing due diligence policies, procedures, and practices regarding soft dollars, best execution, and directed brokerage. MPM seeks to ensure compliance with the client's written Advisory Agreement and observe best practices. Still, a client can pay a higher commission than another custodian might charge to effect the same transaction when it is determined, in good faith, that the commission is reasonable given the value of the brokerage and research services received. In seeking best execution, the determinative factor *is not the lowest cost possible* but whether the transaction represents the best qualitative execution, taking into consideration the complete range of services available, including, among others, the value of research provided, execution capability, financial strength, the commission rates, and responsiveness. While MPM will seek competitive rates, they may not necessarily obtain the lowest commission rates for client transactions.

### Directed Brokerage

In its sole discretion and limited circumstances, MPM may agree to accept the client's request to use a broker-dealer other than our preferred Qualified Custodian(s) to purchase recommended investments. In such cases, the client must submit their request in writing, and MPM will review such requests but retains the right to approve or deny a client request. Subject to its duty of best execution, MPM can decline a client's request if, at our discretion, such brokerage arrangements will result in additional operational difficulties.



MPM must accept such client requests before they become effective. Upon MPM's acceptance of such a client request, it is the client's responsibility to negotiate the terms of the arrangement – including commission rates and other transaction costs for the account with the broker of their choice. The client's custodian may charge additional fees to execute and settle these transactions at another broker or custodian. MPM will not and is not obligated to seek better execution services, better prices, or aggregate client transactions for execution through other Directed Brokers with orders for different accounts managed by the Adviser. By instructing us to execute transactions through their preferred broker, the client may not necessarily obtain commission rates and execution as favorable as those obtained if we could. Thus, this practice may cost the client more money than if MPM had the discretion to select the broker-dealer or otherwise impair MPM's ability to achieve best execution than might be the case if MPM were empowered to negotiate commission rates or select broker-dealers based on best execution.

The client also can forego benefits that we may be able to obtain for our other clients through, for example, negotiating volume discounts or block trades. When a client directs the use of a particular broker-dealer, orders for these accounts will not be placed until after orders are placed for accounts that have not produced the use of a specific broker. This practice can distract us from our normal trading process and represents a conflict of interest in our efforts to obtain best execution for all clients and obtain adequate research - to the extent we would otherwise obtain research by executing through another broker-dealer. In addition, if the client's selected broker played a role in introducing or referring the client to our firm, we would face a conflict of interest that could be seen as reducing our incentive to obtain a lower commission.

### Brokerage for Client Referrals

MPM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### Investment Allocation & Trade Aggregation Policy

MPM does not aggregate orders to purchase or sell securities on behalf of the accounts it manages.

### Trade Errors

Even with the best efforts and controls, trade errors can happen. A "trade error" can include, among other things, the purchase or sale of an incorrect security, an incorrect amount of security, or a failure to purchase or sell an intended security. MPM has internal controls in place to prevent trade errors from occurring. We endeavor to detect trade errors before settlement and correct or mitigate them expeditiously. If a trade is placed for a client's account, which causes a breach of any regulatory, contractual, investment objective or restriction parameters, our policy is to make the client "whole" and restore the account to the position it should have been in had the trading error not occurred.

Depending on the circumstances, corrective actions can include canceling the trade, adjusting an allocation, and/or reimbursing the account. The goal of error correction is to make the client "whole." If a trade error results in a loss, MPM will make the client whole and absorb the loss. If a trade error results in a gain, the client shall generally keep the gain. To the extent an error is caused by a counterparty, such as a broker, we will strive to recover any loss associated with such error from such counterparty. The custodians may have a policy where an adviser is not required to reimburse trade errors, resulting in a loss below a de minimis amount (e.g., \$100). In such circumstances, the custodian will absorb the loss without financially impacting the client. Likewise, if a trade error results in a gain of less than a de minimis amount (e.g., \$100), the custodian will keep the gain or donate it to charity. In all other circumstances, trade errors will be corrected as described above. In cases where trade errors result from the client's inaccurate instructions, the trading error will remain the client's financial responsibility.

MPM maintains an accounting of each trade error within its books and records, including information about the trade and how such error was corrected.

## ITEM 13: Review of Accounts

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### Account Reviews

Representatives monitor and supervise all **MPM Program Services** and **ERISA Retirement & Employee Benefit Plan Services** client accounts on an ongoing basis, using automated tools/systems, through periodic meetings with clients and internally at MPM. Accounts and account holdings are also reviewed for accuracy from an administrative, accounting and investment viewpoint. Representatives will perform at least semi-annual reviews of account holdings for consistency with client suitability information and investment restrictions to strive to ensure the Portfolio's allocation is within acceptable target ranges and guidelines.

More frequent reviews are triggered by material market, economic or political events, client requests, changes in a client's investment objectives or guidelines, changes in a client's suitability information and financial situation (such as retirement, termination of employment, physical move, or inheritance), or expected or unexpected material cash flow in an account. Changes in tax laws, new investment information, and other changes in the client's financial or personal situation can also prompt a review.

Generally, **Traditional Financial Planning Services** and **Consulting Services** clients do not include reviews unless specifically included in the client's Advisory Agreement. **Extended Financial Planning Services** clients receive ongoing account reviews through frequent meetings with their Representative and (approximately) semi-annual account reviews, as the client and Representative mutually agree.

Under our Selection of Other Advisers Services, **Third-Party Management Referral Services** clients will receive account reviews according to the referred manager's IMA, with MPM Representatives also conducting reviews no less than annually.

### Client Reports

#### *Custodial Statements*

The client's selected custodian will send the client written account statements, at least quarterly, itemizing activity and account transactions, specific investments held in the account, the portfolio's value, deposits, withdrawals and advisory fees that occurred during the period of the statement. These statements will be delivered by postal mail or electronically, as the client selects. MPM again urges clients to promptly review any statements they receive directly from their Custodian or otherwise upon receipt to ensure account transaction accuracy. Clients should also compare account investment performance against the appropriate benchmark applicable to the type of investments held in the account and any periodic information from us. If clients are not receiving statements, at least quarterly, from their Custodian, they should promptly inform their Custodian directly and their Representative.

#### *MPM Statements*

MPM will not typically provide clients with regular account reports. MPM will provide reports to clients only if agreed upon in the executed services Agreement, but not otherwise.

Under our Selection of Other Advisers Services, **Third-Party Management Referral Services** program, clients will receive reports according to the referred manager's IMA.

## ITEM 14: Client Referrals & Other Compensation

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### Preferred Qualified Custodians

As indicated in Item 12: Brokerage Practices, MPM receives an economic benefit from its recommended Qualified Custodian because it receives support products and services described in connection with its arrangement to recommend that clients maintain accounts with its preferred custodians. MPM benefits from such arrangements because the cost of the support products and services it receives from its custodian would otherwise be borne directly by the Adviser. While clients do not pay more for assets maintained at any recommended custodian, they should consider these conflicts - the products and services provided by each custodian, their benefits to us, and any related conflicts of interest described herein, when making a custodian selection. *(See Item 12: Brokerage Practices for disclosures on research and other benefits we may receive from our relationship with your account Custodian.)*

### Dimensional Fund Advisers LP

[Dimensional Fund Advisers, LP](#) ("DFA") provides MPM with free investment research and marketing support, such as sponsorship of the MPM Advisory Board meeting costs and free conference attendance and platform access, which benefits MPM and its client and business relationships. The receipt of these items creates a conflict of interest for MPM because receiving these benefits reduces our operating costs, which, in turn, creates an incentive for us to recommend and use DFA Funds in the investment management of client accounts. MPM addresses these conflicts of interest by providing disclosure of the relationship and the associated conflicts of interest to clients in this Disclosure Brochure and reminding clients they can impose reasonable restrictions on the securities or types of securities to be held in their portfolios, including a restriction on the purchase and use of DFA Funds.

## Third-Party Referral Arrangements

### *Promoter Relationships*

MPM has entered a Promoter relationship with qualified individuals who are paid to refer potential clients to the Adviser, which can result in the provision of investment advisory services. MPM ensures that any Promoters used are licensed when required and otherwise qualified to provide investment advice. Unlicensed Promoters may only provide impersonal investment advice by recommending our services and not comment on using the Adviser's services or portfolio construction. The terms of all Promoter arrangements are defined by a contract between the Promoter and MPM, which sets forth the terms of the Agreement and form of compensation to the Promoter, either a flat fee or a percentage of the advisory fees received from referred clients.

In addition to providing prospective clients with a copy of MPM's Disclosure Brochures and separate disclosure documentation, Promoters are required to disclose to referred clients, in writing, (1) whether they are a client or a non-client, (2) that they will be compensated for the referral, (3) the material conflicts of interest arising from the relationship and/or compensation arrangement, and (4) all material terms of the arrangement, including a description of the compensation to be provided for the referral.

MPM can also serve as a Promoter to the third-party money managers it engages with in its third-party management referral **services** program for advisory, administrative, and/or technological services. In this capacity, the Adviser will introduce clients for whom the referred manager's services are suitable and appropriate. Promoter fees for such relationships are based on the executed contract between MPM and each referred TPM, which will be fully disclosed to clients at the time of the relationship's inception. Fees shared will not exceed any limit imposed by any regulatory agency. Clients should refer to their TPM Agreement for exact details and amounts.

### Conflicts of Interest

Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending an investment adviser receives an economic benefit, as the payment received could incentivize a referral. MPM mitigates this conflict of interest by fully disclosing its referral practices and any compensation or benefit earned in this Brochure and only making recommendations believed to be in the client's best interests.

Apart from the items disclosed herein, MPM has no other additional economic benefits for client referrals or compensation to disclose. Additional details of how MPM mitigates conflicts of interest can be found in the firm's comprehensive written compliance supervisory policies and procedures and Code of Ethics. A free copy of our Code of Ethics is available for review to clients and prospective clients upon request by email at [compliance@mpmwealth.com](mailto:compliance@mpmwealth.com) or by calling 800- 814-1706.

## ITEM 15: Custody

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### Custodial Practices

MPM does not have physical custody of client funds or securities other than the standard business practice of deducting Advisory Fees from client accounts. The Adviser prohibits the Firm or its Associates from obtaining, accepting, or maintaining custody of client funds, securities, or assets in any manner. Clients will keep all account cash, securities, and other assets with a Qualified Custodian, who will govern the account with a separate written brokerage and custodial account agreement between the custodian and the client. Account checks, funds, wire transfers, and securities will be delivered between the client and the custodian of the record; MPM is not authorized to withdraw any money, securities, or other property from any client custodial account in the client's name or otherwise.

As noted previously, MPM recommends that clients place their assets in the custody of **Charles Schwab & Co., Inc.**, who will take possession of the cash, securities, and other assets within the client's account unless the client directs otherwise. Typically, the custodian will directly debit the client's account(s) to pay MPM's Advisory Fees. To authorize this, the client will directly provide written limited authorization instructions and request their custodian provide a "transfer of funds" notice through the client's preferred method of communication after each Advisory Fee payment transfer occurs. The client will provide these instructions separately on the custodian's form. Although MPM does not have physical custody of client funds or securities, we are deemed to have limited custody over client funds, as defined by Rule 206(4)-2 under the Advisers Act, when a client authorizes us to deduct our Advisory Fee directly from their account.

### Wire Transfers, Check-Writing Authority & Standing Letters of Authorization

MPM or persons associated with our Firm can effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, or we may have signatory and check-writing authority for client accounts if the client has provided us with written authorization to do so. Such written authorization is known as a "Standing Letter of Authorization" (or "SLOA").

An adviser with authority to conduct third-party wire transfers or sign checks on a client's behalf has access to the client's assets and, therefore, has custody of the client's assets in any related accounts. However, MPM is not required to obtain a surprise annual audit, as otherwise would be necessary by reason of having custody, as long as we meet the following criteria:

1. The client provides a written, signed instruction to the Qualified Custodian that includes the third party's name and address or account number at a custodian.
2. The client authorizes us to direct transfers to the third party on a specified schedule or from time to time.
3. The Qualified Custodian verifies the client's authorization (i.e., signature review) and promptly provides the client a "funds transfer" notice after each transfer.
4. The client can terminate or change the instruction.
5. MPM has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party.
6. We maintain records showing that the third party is not related to us or located at the same address.
7. The Qualified Custodian sends the client a written initial notice confirming the instruction and an annual notice reconfirming the instruction.

Because MPM's custody is limited to third-party Standing Letters Of Authorization, the Adviser is not required to obtain a surprise verification of client assets by an independent public accountant, according to the guidance of the Staff of the Division of Investment Management in Investment Adviser Association, Staff No-Action Letter (Feb. 21, 2017). According to the Advisory Agreement No-Action Letter, an adviser is permitted to direct transfers for SLOAs only after the client has pre-authorized the sending and receiving accounts; the adviser is limited to changing only the timing or amount of the transfers and maintaining necessary records.

### Custodial Statements

The client's selected custodian will send the client written account statements, at least quarterly, itemizing activity and account transactions, specific investments held in the account, the portfolio's value, deposits, withdrawals and advisory fees that occurred during the period of the statement. These statements will be delivered by postal mail or electronically, as the client selects.

*MPM again urges clients to promptly review any statements they receive directly from their Custodian or otherwise upon receipt to ensure account transaction accuracy. Clients should also compare account investment performance against the appropriate benchmark applicable to the type of investments held in the account and any periodic information from us.*

MPM cannot guarantee the accuracy or completeness of any report or other information provided to the client by the custodian or another service provider. MPM encourages clients to question their assets' custody, safety, security, or any statements received and report inconsistencies. If a client believes there are any inaccuracies or discrepancies in any reports received from their custodian, or if they do not understand the information in any report, document or statement received, they should promptly and in all cases before the next statement cycle, report any items of concern to their Representative or MPM directly. Unless the client indicates otherwise, by promptly notifying MPM in writing of concerns regarding statements received, investments MPM makes at their direction and in line with their stated investment objectives or on their behalf shall be deemed to conform with the client's investment objectives.

Any verbal communications, inquiries, or concerns about their account statements should be re-confirmed in writing.

If clients are not receiving statements, at least quarterly, from their Custodian, they should promptly inform their Custodian directly and their Representative.

## ITEM 16: Investment Discretion

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### Account Management style

MPM's investment advisory services are offered to clients on a **discretionary** and **non-discretionary** account advisory basis. Details of the relationship are disclosed fully before any advisory relationship commences, and additional information for account management style is reflected in each client's executed Advisory Agreement.

### Discretionary Authority

Under discretionary account management authority, MPM will execute securities transactions for clients without obtaining specific client consent before each transaction. Discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell,
- determine the amount of security to buy or sell, and
- determine the timing of when to buy or sell.

For this type of management style, clients will provide discretionary management style authority via written Advisory Agreement authorization granting MPM complete and exclusive discretion to manage all investments, reinvestments, and other transactions for their account as MPM deems appropriate in furtherance of the terms of the Program, Advisory Agreement and other Program documents, and information provided to the Adviser and Representative, with such changes as the client and their Advisor Representative may agree to from time to time - collectively, the "Investment Guidelines."

Discretionary authority is limited to investments within a client's managed accounts. Clients may impose restrictions on investing in particular securities or types or limit authority by providing written instructions. They may also amend/change such limitations by providing written instructions. Clients will sign a "Limited Power of Attorney" as a stand-alone document or as part of the account opening paperwork through their custodian. MPM will only be required to maintain or solicit clients' consent for trades on positions explicitly discussed during the introductory interview, such as inherited stock that the client would like to hold on to for sentimental reasons or as otherwise specified.

Under this management style, the Representative will provide continuous and regular investment management services for the Program Account(s) and Program Assets in an attempt to achieve the account objectives. The discretionary authority will be exercised in a manner consistent with the investment objectives stated for the client account. The Adviser and Representative may elect to change (on either a temporary or permanent basis) the mutual fund families or other issuers of securities used in a Portfolio, the particular funds (or subaccounts) used for Portfolios, and the asset classes and class weightings of a Portfolio, for example. They may also change the investment strategy for a particular portfolio or designate a different portfolio for the Program Account without the client's prior notice or consent. The account will remain in full force and effect, notwithstanding the incompetence or disability of the client, until terminated in a written notice to the Adviser.

### Non-Discretionary Authority

In our sole discretion, we may agree to accept accounts to be managed on a **non-discretionary** basis, on terms to be negotiated separately on a client-by-client basis. Under this type of account authority, clients can decide not to invest in securities or types of securities and refuse to approve securities transactions. While the Representative is also responsible for selecting or making recommendations for specific securities or other investments the account may purchase or sell based on the client's needs, the client must initiate or pre-approve investment transactions in their accounts before they occur. The discretion remains with the client.

As a result, clients should be aware that *until MPM reaches the client, no transactions will be placed in the client's account(s)*. MPM will, however, facilitate transactions in its clients' accounts based on the investment decisions made by its clients.

Clients should also be aware that because of the time delays in obtaining client consent for trades in non-discretionary accounts, the Adviser's policies allow it to place orders for discretionary accounts before contacting non-discretionary account clients for consent to place orders in their accounts. Although this practice is not expected to affect investments in mutual funds (which should obtain the same daily NAV price), it may materially affect the prices discretionary accounts receive for other Portfolio investments. This means orders for non-discretionary accounts can be filled later, thus running the risk that the same security may not be available or, potentially, at less advantageous prices if available as for discretionary account orders.

Further, orders for non-discretionary accounts will not be included in aggregated orders with discretionary accounts and, therefore, will not receive the benefits of sharing execution costs or using an average price account, where participating accounts average their execution prices or proceeds with the other accounts participating in the averaged order. Consequently, non-discretionary accounts are more likely to experience less favorable transaction costs, quality of execution, and overall performance than discretionary accounts and may perform materially differently than discretionary accounts.

Finally, if MPM is responsible for arranging or effecting the security purchases or sales in the non-discretionary account and the recommendations are accepted, the Representative will provide continuous and regular MPM services for the Program assets. The Representative will not provide continuous or regular investment supervisory or management services for non-discretionary accounts for which the Adviser does not arrange or affect the security purchases or sales. Instead, Representatives will periodically provide services for non-discretionary accounts, according to Advisory Agreement provisions.

Similar to discretionary authority, the non-discretionary authority will remain in full force and effect, notwithstanding the incompetence or disability of the client, until terminated in a written notice to the Adviser.

Regardless of the type of account management authority selected, clients will execute all documents required by MPM or its custodian to establish account trading authorization. Then, MPM will recommend and direct the investment and reinvestment of securities, cash, and financial instruments held in the client's accounts as deemed appropriate to further the client's investment guidelines, with such changes as the client and their Representative will agree to from time to time.

If clients object to any investment decision, a mutually agreed-upon decision will be made and documented if necessary. It is always preferred that the client and MPM engage in discussions to resolve any potential opinion differences. However, if the client repeatedly acts inconsistent with the jointly agreed upon investment objectives, MPM reserves the right to cancel the client's Agreement after written notice. Similarly, the client has the right to cancel their Agreement with the Adviser according to the Agreement provisions if they so desire.

## **ITEM 17: Voting Client Securities**

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### **Proxy Voting**

MPM will not ask for or accept voting authority for client securities and is not obligated to forward proxy notices to clients or their agents. MPM will direct the Custodian to forward all shareholder-related materials to the client's address on record. Clients are responsible for exercising their right to vote for proxies.

While MPM can assist a client with their proxy questions, it shall not be deemed to have proxy voting authority solely because it supplies client information about a particular proxy vote. It is the client's obligation to vote their proxies. Clients should contact the security issuer before making any final proxy voting decisions.

### **Class Action Suits, Claims, Bankruptcies, Other Legal Actions & Proceedings**

A class action is a procedural device used in litigation to determine the rights and remedies for many people whose cases involve common questions of law and fact. Class action suits often arise against companies that publicly issue securities, including those recommended by investment advisers to clients. MPM has no duty or obligation to evaluate a client's eligibility, advise, or submit claims to participate in the proceeds of securities class action settlements or other related legal actions, determine if securities held by the client are subject to a pending or resolved class-action lawsuit, or act for the client in any manner concerning legal proceedings involving securities currently or previously held by the client's account or securities issuers.

MPM does not provide legal or tax advice, engage in any activity that might be deemed to constitute the practice of law or accountancy, or act for the client in any manner concerning legal proceedings involving securities held or previously held by the client's account or the issuers of such securities. MPM is not obligated to forward copies of written or electronic notices of any legal actions, proceedings, or materials affecting such securities. It is the client's responsibility to respond to any legal actions or proceedings involving the securities purchased or held in their account and/or initiate litigation to recover damages if they may have been injured as a result of the actions, misconduct, or negligence by the corporate management of issuers of such securities.

## ITEM 18: Financial Information

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### Balance Sheet

MPM neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to include a balance sheet with this Brochure.

### Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

MPM has no financial conditions that will likely impair its ability to meet client contractual commitments. MPM has no additional financial circumstances to report.

### Bankruptcy Petitions in The Previous Ten Years

MPM has not been the subject of a bankruptcy petition in the last ten years.

## ITEM 19: Additional Information

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### Business Continuity Plan Overview

Securities industry regulations require that investment advisers inform their clients of their plans to address the possibility of significant business disruption ("SBD") from unexpected events such as power outages, natural disasters, or other such occurrences. Firms must be able to provide continuous and uninterrupted services to their clients, and critical systems must function during such incidents so that the firm can resume operations as quickly as possible, given the SBD's scope and severity. In addition, they must meet their obligations to clients, counterparties, and others during any emergency or SBD.

Since the timing and impact of disasters and disruptions are unpredictable, firms must be flexible in acting. Well thought out, advanced preparations and effective procedures can significantly minimize downtime in the face of a disaster or outage. To satisfy this requirement, MPM has developed a comprehensive Business Continuity Plan ("BCP" or "Plan") to detail how it will react when faced with such conditions. While no contingency plan can eliminate all service interruption risks, MPM's BCP strives to set forth the firm's policies and practices under various SBD situations and mitigate all credible threats while keeping up with changes to the Adviser's business, structure, operations, and location.

### Firm Policy

MPM's guiding principle is that protecting clients, employees/Associates and family members always takes precedence over preserving business assets. Accordingly, MPM's policy is to respond to an SBD by first safeguarding the lives of its clients, employees/Associates, family members, and others, and then firm property, making a quick financial and operational assessment, protecting and preserving all advisory books and records, and promptly recovering and resuming operations to allow clients to continue to transact business as rapidly as possible.

*Recovery times may vary depending on the nature and severity of the disruption; however, the Emergency Declaration Process is set to occur in less than sixty (60) minutes with the objection of restoring mission-critical operations between 24 hours and 20 days (in the event of a catastrophic disaster).*

### BCP Summary

MPM's BCP - reviewed, tested regularly, and updated no less than annually, anticipates two kinds of SBDs, **Internal** and **External**. Internal SBDs affect only the firm's ability to communicate and do business, such as a fire in the building. External SBDs prevent the operation of the securities markets for several firms and may include terrorist attacks, floods, or wide-scale regional disruptions.

MPM's BCP addresses all mission-critical systems, office closing and relocation procedures, and employee alternative physical locations. In addition, regulatory reporting and alternate communications between the Adviser and its clients, employees, critical business constituents, banks, counterparties, regulators, and others are detailed to preserve uninterrupted communication. The Plan also defines data backup and recovery procedures (hard copy and electronic) and succession planning in the event of crucial personnel absence. Further, MPM requires its primary internal and external vendor systems providers to periodically verify and test their backup capabilities to promptly provide the necessary information and applications to continue or resume business in an emergency or SBD situation.

MPM carries out its BCP under the direction of its Emergency Response Team (the "Team"), which is collectively responsible for serving as a primary resource in furtherance of this Plan. The Emergency Response Team Leader is responsible for (1) updating all areas of the Plan, as needed (except for contact information), (2)(i) specifically designating certain information in the Plan as "restricted" and subject to limited distribution due to its sensitive nature, (ii) identifying the ERT Members or others that may need access to all or part of such information, and (iii) disclosing the location of or means by which such information can be accessed, (3) overseeing the routine responsibilities of the ERT Administrator; and (4) coordinating a Disaster Recovery Operation, if necessary. The Team is responsible for making an immediate preliminary assessment of the nature and extent of any disruption and communicating the firm's BCP to employees, clients, critical business constituents, and regulators.

When an internal or external event, either minor or significant, occurs or appears to be developing, MPM's Emergency Response team will be notified. Upon notification or becoming aware of an SBD event, the Team will implement BCP emergency procedures, secure the headquarters as much as possible, and advise all employees to call the firm's emergency line directly at 419-861-1400, Conference ID: Extension 100. The Adviser will transfer its operations to a local worksite if a business disruption affects only MPM or a specific area within the firm. If a disruption affects the firm's business district, city, or region, operations will be transferred to an alternate worksite outside the affected area. Telephone service will continue, and regular work processes will resume at its alternate location(s). MPM will continue conducting business in either situation and notify its clients about maintaining contact through a message recorded on its main phone number and website posting.

MPM does not maintain custody of client funds or securities; clients maintain all account assets at an independent Qualified Custodian with whom they can always communicate and access assets directly, with or without the Adviser's intervention. In the event of an SBD, MPM will help facilitate client access to these external accounts by resolving their questions, providing status updates, and offering up-to-date contact information to assist them in reaching their custodians and – if applicable, for the type of account opened, any third-party managers ("TPMs") directly.

If an SBD also impacts a client's custodian or TPM or cannot be reached, MPM will generate a bulk email via the firm's then-current Internet-based communications platform to inform the situation and safeguard clients' awareness of developments. MPM will also relay communications to custodians and TPMs on the client's behalf.

MPM will promptly update its voice message and website if an SBD is so severe that it prevents the firm from conducting advisory business. If it is determined that the firm cannot continue its advisory business, clients will be assured swift access to their funds, securities, and prepaid fees by direct contact with their respective custodians and TPMs (*as applicable*).

#### *Additional Information*

MPM's BCP is designed to allow the firm to continue to provide the quality service its clients have come to expect. Please contact us directly with any questions about the firm's practices or to request a complete copy of our Plan:



#### **MPM Wealth the Advisers**

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Suite A

Holland, OH 43528

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Fax: 419-861-1450

[www.mpmwealth.com](http://www.mpmwealth.com)

#### **Information Security Program**

MPM maintains an Information Security Program to reduce the risk of clients' personal and confidential information breaches. Please contact us directly at 800-814-1706 with any questions regarding this topic.

#### **Privacy Practices**

Your relationship with us is based on trust and confidence. This privacy policy ("Privacy Policy" or "Policy") describes the ways MPM collects, stores, uses, discloses, and protects the privacy of the personally identifiable and non-personally identifiable



information we may collect from you or that you may provide. Our goal is to treat the information you furnish us with the utmost respect following this Policy and safeguard and protect the information you have provided securely and professionally. We remain committed to this objective.

### *What is Personally Identifiable Information?*

Personally identifiable information ("PII") describes the information associated with you. It can be used to identify you and includes your name, address, phone number, zip code, e-mail address, and other similar data. Non-personally identifiable information ("non-PII") does not identify a specific person or is publicly available. Non-PII may include, for example, your IP address, browser type, domain names, access dates, and similar information.

### *Categories of Information We Collect*

The personal information we collect and share will depend on the product or service. Confidential personal data collected about you can include but not be limited to:

- information we receive from you via applications or other forms, such as your name, address, phone or social security number, occupation, assets, income,
- investment experience and other financial and family information, and
- information about your transactions with us or the brokerages, banks, and custodians with whom you hold investment or cash accounts, including account numbers, holdings, balances, transaction history, and other financial and investment activities.

### *How We Collect Your Information*

We collect your personal information; for example, when you seek investment advice, tell us about your investment portfolio(s), open an account, make account deposits or withdrawals, or provide your income details. We also collect your personal information from others, such as other companies.

We do not knowingly solicit information from or market our products or services to children.

### *How We Use Your Information*

We may use information that we collect about you or that you provide to us, including any personal information, for any purpose, including but not limited to:

- personalize our contact with you, or verify your identity when accessing our services,
- compare information for accuracy and record verification,
- provide information, materials, products, or the services you request,
- improve, modify, customize, and measure our services,
- develop new products and services,
- send you administrative messages, content, and other services and features in which we believe you may be interested,
- provide you with information about our products and services, including while you are on our website online services or after you visit such online services,
- contact you for the potential purchase of insurance or other financial products,
- operate, provide, improve, and maintain our website to prevent abusive and fraudulent use of our website or enforce our Terms of Use and any other agreements between you and our firm, and
- for any other administrative and internal business purposes permitted by law.

### *Sharing Non-Public Personal & Financial Information*

Financial companies must share customers' personal information to run their everyday business and provide services. Even when required to do this, we are committed to the protection and privacy of your personal and financial information. We will share your personal information with only those non-affiliated third-party service providers authorized to use your data as necessary to support our business operations, such as:

- when necessary to complete an account transaction, such as with the clearing firm or account custodians,
- when required to maintain or service an account,

- for marketing services,
- when requested by a fiduciary or beneficiary on the account,
- when required by a regulatory agency or for other reasons required or permitted by law,
- to our attorneys, accountants, or compliance consultants,
- to provide customer service or resolve customer disputes,
- to provide data storage, payment, or technology support and services, or
- for risk solution provisions, analytics, or fraud prevention,
- in connection with a sale or merger of our business, or
- in any circumstance that has your instruction or consent.

The personal information we share for business purposes may include any categories of personal information identified in this Privacy Policy that we may collect.

### *Protection of Personal Information*

We maintain various security measures to protect against the loss, misuse, and alteration of the information under our control. We restrict access to personal and account information to only those employees who need to know the information to provide products or services to you. Physical, electronic, and procedural safeguards are in place to guard client data using security measures that comply with federal law, such as computer protection, secured files, and buildings. Finally, although no business can wholly guarantee that information will remain free from unauthorized access, use, disclosure, or alteration, we make consistent, diligent, and good-faith efforts to maintain information security, utilizing safety measures designed to prevent unauthorized access or usage.

### *Internet Use*

You can visit us on the Internet at [www.mpmwealth.com](http://www.mpmwealth.com) without telling us who you are or revealing any information about yourself, including your e-mail address. In this case, our web servers may collect the domain name you used to access the Internet, such as [www.aol.com](http://www.aol.com), the website you came from and visited next, and other data. We use this data to monitor site performance and make the site more accessible and convenient.

### *Sharing Information & Consumer Choice*

When you provide information to us, we may share your information, to the extent provided by applicable law, with our affiliated companies and third parties to fulfill your requests and offer you other services that may interest you. Your information is not shared with any third party unless you request it or it is legally permitted. Under no circumstance will we sell or transfer your information to any ad network, ad exchange, data broker, or other advertising or monetization-related service. We may also aggregate statistics about our customers, sales, traffic patterns, and services and provide these statistics to third parties; however, when we do, the statistics will exclude any personal information that identifies individuals. We will not provide your personal information to mailing list vendors or Promoters. We require strict confidentiality in our agreements with unaffiliated third parties that need access to your personal data, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your records as the law permits.

Federal law allows you to limit sharing information about your creditworthiness for affiliates' everyday business purposes, affiliates from using your information to market to you, and sharing for non-affiliates to market to you. State and international laws and individual companies may provide additional rights to limit sharing. *(Please contact us directly for specific state and residence privacy requirements.)*

### *Notification In the Event of A Data Breach*

Although we make reasonable faith efforts to maintain your information securely, no firm or individual can guarantee that shared information will remain free from unauthorized access, use, disclosure, or alteration. If an unauthorized party breaches your personally identifiable information, we will comply with applicable state laws in notifying you of the breach.

### *Former Customers*

Personally identifiable information about you will be maintained while you are a client and for the crucial period after that, as federal and state securities laws require if you close your account(s) or become an inactive customer. After that time, information may be destroyed.

### *Accessing or Correcting Your Information*

If you believe that an error has been made in the accuracy of the information collected from you, please contact us, and we will correct such error upon adequate verification of the error and the person's identity seeking the correction. If you wish to access, remove, or correct any personally identifying information you have supplied to us or have any questions about this Privacy Policy, you may contact us by sending a letter to the address on the cover of this Brochure.

### *Changes To Our Privacy Policy*

We reserve the right to modify or supplement MPM's Privacy Policy statement at any time. If we make any material changes, we will notify our existing clients and update our website to reflect such changes, including disclosing the Policy's last revised date.

### *Questions*

Contact us at 800-814-1706 with any questions or concerns regarding our privacy or business practices.