



**Part 2A of Form ADV: Firm Brochure**

**MID ATLANTIC FINANCIAL MANAGEMENT**  
a division of NewEdge Advisors, LLC

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This brochure provides information about the qualifications and business practices of Mid Atlantic Financial Management, a division of NewEdge Advisors, LLC, a registered investment adviser (MAFM). If you have any questions about the contents of this brochure, please contact us at (504) 609-3694. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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

## Item 2. Material Changes

This Firm Brochure, dated November 1, 2021, provides you with a summary of MAFM's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

**Annual Update:** We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

**Material Changes:** Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item).

"Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated March 31, 2021:

**Effective November 1<sup>st</sup>, 2021, Mid Atlantic Financial Management, Inc. was merged with and into an affiliated registered investment adviser, GWM Advisors, LLC (Goss Advisors), and the surviving entity's name was changed to NewEdge Advisors, LLC. This internal reorganization transaction did not result in a change in control or otherwise change any of the services being provided to customers of MAFM.**

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## **Item 4     Advisory Business**

Mid Atlantic Financial Management, a division of NewEdge Advisors, LLC (“MAFM”, “Firm”, “us” or “we”) is an SEC registered investment adviser with its principal place of business located in New Orleans, Louisiana. MAFM began conducting business in 1984 under the firm formerly known as Mid Atlantic Financial Management, Inc.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company)

- New Edge Capital Group, LLC
- New Edge Wealth Holdings, L.P.
- EdgeCo Guarantor, L.P.
- EdgeCo Holdings, L.P.
- EdgeCo Investor Holding, L.P.
- EdgeCo Wealth Management GP, LLC
- EdgeCo Holdings GP, LLC
- PCP Aggregator GP, LLC
- Parthenon Investors V, L.P.
- Waterfall Eden Master Fund, LTD.

MAFM offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we create and manage a portfolio based on those goals and objectives. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our firm's individual portfolio management services are:

#### **Advisor's Choice (“AC”)**

This comprehensive fee program allows an investment adviser representative (“IAR”) to manage a client's account in a customized manner in accordance with the client's risk tolerance and investment objectives. The IAR may offer advice on the following types of investments: equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds), United States government securities, and option contracts on securities. Investment strategies used may include both long and short-term purchases, short sales, purchases on margin, and option writing. AC is designed for accounts with a minimum asset value of \$25,000.

## Mid Atlantic Institutional Investment Consulting (“IIC”)

MAFM offers investment management and advice through Mid Atlantic Institutional Investment Consulting. Under the IIC program, the client grants, in writing, complete investment discretion to MAFM. The IIC program offers various investment strategies, and includes asset allocation, security selection, ongoing account management, and performance measurement reporting. Although the IIC program has no minimum asset value, services are typically provided to larger “Institutional” investors.

## LMK Advisors (“LMK”)

LMK Advisors is a group of financial advisers at the Firm who specialize in providing comprehensive financial and wealth strategies on a discretionary basis. Their team of professionals provides value added management and advice. Through personal discussions and data gathering, LMK identifies the client's investment objectives as well as lifestyle, goals, risk tolerance and time horizon. The investment process begins with an assessment of the current economic environment. Portfolio assets are then allocated among the asset classes. LMK specializes in market cycle investment management and asset allocation in diversified portfolios comprised of closed end equity and bond funds as well as individual equities exhibiting increasing earnings and dividends.

LMK manages these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares

- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other investment advisors (hedge funds)

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### Financial Product Management (“FPM”)

This is a comprehensive fee program which uses select mutual funds and/or ETF’s generally held within a client’s 401(k) plan, 403(b) plan, or variable annuity sub-account. Although there is no stated minimum, FPM is generally designed for accounts with a minimum asset value of \$10,000. The component funds are chosen using the following criteria: past performance relative to its peer group, investment style and discipline, quality of fund management, and correlation with existing holdings. Macro issues such as the market environment are also considered. The portfolio consists of a core group of funds with a longer time horizon, complimented by smaller allocations to style.

#### INVESTMENT SUPERVISORY SERVICES (“ISS”) MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Investment supervisory services provided by our firm are:

#### Mid Atlantic Fund Strategy (“MAFS”)

This is a comprehensive fee program which uses select mutual funds and/or ETF’s. Investment objectives are dependent upon the particular fund strategy selected. MAFS is designed for accounts with a minimum asset value of \$10,000. MAFS currently utilizes the Russell Investment Company Model Strategies, which are managed by Russell Investments, the BlackRock Research Model Portfolios, which utilize the BlackRock iShares Funds, the Fidelity Target Allocation Model Portfolios which use Fidelity Mutual Funds and ETF’s, and the Vanguard ETF strategic model portfolios, constructed by the Vanguard Investment Strategy Group. Russell, BlackRock, Fidelity and Vanguard are considered among the world's leading asset consulting and investment management firms, providing investment advice, analytical tools, and funds to institutional and individual investors. MAFS may use other mutual fund/ETF model strategies in addition to those constructed by Russell, BlackRock, Fidelity and Vanguard.

#### Mutual Fund Strategy (“MFS”)

This is a comprehensive fee program, which uses select mutual funds. MFS is designed for accounts with a minimum asset value of \$25,000. The component funds are chosen using the following criteria: past performance relative to its peer group, investment style and discipline, quality of fund management, and correlation with existing holdings. Macro issues such as the market environment are

also considered. The portfolio consists of a core group of funds with a longer time horizon, complimented by smaller allocations to style. The styles offered are Fixed Income, Balanced Income, Conservative Growth, Moderate Growth, Aggressive Growth, Growth, Small/Mid Cap, Hedged Equity, and International Equity Mutual Fund Program.

#### Fund Allocation Strategies (“FAS”)

FAS is a comprehensive fee program which uses select mutual funds. FAS is designed for accounts with a minimum asset value of \$25,000. The component funds are chosen using the following criteria: past performance relative to its peer group, investment style and discipline, quality of fund management, and correlation with existing holdings. Macro issues such as the market environment are also considered. The styles offered are Conservative, Moderate, Balanced, Growth, and Aggressive Growth.

#### Mutual Fund Direct (“MFD”)

MFD is a comprehensive fee program which uses select mutual funds. Although there is no stated minimum, MFD is generally designed for accounts with a minimum asset value of \$10,000. The component funds are chosen using the following criteria: past performance relative to its peer group, investment style and discipline, quality of fund management, and correlation with existing holdings. Macro issues such as the market environment are also considered. The portfolio consists of a core group of funds with a longer time horizon, complimented by smaller allocations to style.

### MANAGER OF MANAGERS PROGRAM

MAFM offers advisory management services to clients through our Manager of Managers Programs. We provide the client with an asset allocation strategy developed through personal discussions and data collection in which the client's goals and objectives are established based on the client's particular circumstances. The firm's three programs are:

#### Mid Atlantic Portfolio Solutions (“MAPS”)

MAFM offers investment management and advice through Mid Atlantic Portfolio Solutions (“MAPS”), which provides consulting services and investment management services of third party investment advisers. To be eligible for participation in MAPS, client accounts must have a minimum asset value of \$100,000.

The program provides asset consulting services in connection with the selection of the third party investment advisers, taking into consideration the client's investment objectives, financial situation, risk tolerance, and reasonable investment guidelines. MAPS also provides asset allocation, ongoing consultations, and performance measurement reports.

MAFM performs the third party manager due diligence and performance reporting. MAFM compiles an approved list of third party investment advisers. To be included on the approved list, third party investment advisers are subject to a comprehensive review and analysis by MAFM. MAFM will run risk and return screens, and perform peer analysis reviews.

### Separate Account Solutions ("SAS")

MAFM offers investment management and advice through its Separate Account Solutions program ("SAS"). This program provides consulting and investment management services with third party investment advisers. To be eligible for participation in SAS, client accounts must have a minimum asset value of \$100,000.

The SAS program provides asset consulting services in connection with the selection of the third party investment advisers, taking into consideration the client's investment objectives, financial situation, risk tolerance, and reasonable investment guidelines.

SAS also provides asset allocation, ongoing consultations, performance measurement reports and an investment policy if appropriate.

MAFM operates SAS in conjunction with a program offered by Investnet Asset Management, Inc. ("Investnet"). Investnet is an investment management firm providing investment management and investment advisory services through independent investment advisers. Investnet compiles an array of third party investment advisers that provide discretionary investment management services. Investnet is providing only administrative services and is not responsible for the selection of the specific investment choices made with respect to the SAS program.

### ManagerxChange Managers Program (MMP)

MAFM offers investment management and advice through ManagerxChange Managers Program ("MMP"), which provides consulting services and investment management services of third party investment advisers. MMP is generally designed for accounts with a minimum asset value of \$10,000.

The program provides asset consulting services in connection with the selection of the third party investment advisers who manage model based portfolios on a discretionary basis, taking into consideration the client's investment objectives, financial situation, risk tolerance, and reasonable investment guidelines. MMP also provides asset allocation, ongoing consultations, and performance measurement reports.

MAFM performs the third party manager due diligence and performance reporting. MAFM compiles an approved list of third party investment advisers. To be included on the approved list, third party investment advisers are subject to a comprehensive review and analysis by MAFM. MAFM will run risk and return screens, perform peer analysis reviews and have meetings on a periodic basis.

MAFM performs management searches of various registered investment advisers. Based on the client's individual circumstances and needs, we determine which selected registered investment adviser's ("adviser" or "asset manager") portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected asset manager. Clients should refer to the asset manager's Firm Brochure or other disclosure document for a full description of the services offered. Client meetings are available on a regular basis, or as determined by the client, to review the account.

On an ongoing basis, we monitor the performance of the asset manager(s). If we determine that a particular adviser is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with that client's financial objectives, then we may move the client's portfolio to a different asset manager and/or program sponsor. Under this scenario, our firm

retains the discretion to hire and fire the asset manager and/or move the client's portfolio to a different program.

At least annually, we communicate with the client to review and update, as necessary, the client's financial objectives. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's financial objectives is warranted.

#### Non-Discretionary Advisory Services ("NDAS")

Under the NDAS program, Client chooses an investment advisor representative of Mid Atlantic Financial Management, Inc. to act as the Investment Consultant to the portfolio. Mid Atlantic Financial Management, Inc. obtains relevant financial and investment data from Client relating to Client's participation in NDAS based on personal discussions and data collection in which the client's goals and objectives are established based on the client's particular circumstances.

The information will include a description of the investment objectives, risk tolerance and guidelines for the consultation of Client's portfolio, including any investment restrictions imposed by the Client.

#### PENSION CONSULTING SERVICES

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

##### Investment Policy Statement Preparation ("IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

##### Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

##### Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the IPS. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

## Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## FINANCIAL PLANNING

MAFM provides financial planning services to clients through investment adviser representatives ("IARs") of MAFM. The IAR is responsible for providing a written financial plan to the client and ongoing consultations to help the client achieve their financial goals. As part of the financial planning service, the IAR may provide investment advice regarding securities. IARs may also contract with financial planning firms that provide financial planning hypothetical and illustration reports as well as investor presentation models based upon information provided by the client. Fees charged for financial planning services are negotiable and range from \$50.00 to \$500 per hour or a flat rate from \$500.00 to \$20,000 depending upon the complexity of the plan requested.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving

dependents, estate planning and disability income.

· ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

## CONSULTING SERVICES

MAFM may provide consulting services to clients regarding their corporate and personal business affairs not involving securities. Fees of this nature are negotiable, and take the form of hourly fees, project fees, or contingent fees.

When MAFM prepares a business plan or assists a client in the preparation of a package utilized in a request for bank financing, the client is billed on an hourly basis or on a fixed fee basis.

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. MAFM has analyzed and offered advice on partnerships investing in private equity, managed futures, agricultural operations, communications ventures, research and development, equipment leasing, mortgage investment, private investments in financial institution securities, and energy and manufacturing companies. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

LIMITATIONS: As individuals of MAFM are registered as representatives of a broker-dealer and/or as insurance agents/brokers of various insurance companies, consulting recommendations are limited to only those products offered through these companies.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed

without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients. The Firm does not manage wrap fee accounts differently than non-wrap fee accounts.

#### AMOUNT OF MANAGED ASSETS

As of 12/31/2020, we were actively managing \$2,839,420,068 of client's assets on a discretionary basis plus \$533,643,710 of client's assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS")**

Our annual fees for Investment Supervisory Services for Model and Individual Portfolios, Advisors Choice, LMK Advisors, Mid Atlantic Financial Product Management Strategy, Institutional Investment Consulting, Manager of Managers services (Mid Atlantic Portfolio Solutions and Separate Account Solutions), are generally based upon a percentage of assets under management. The fee is payable quarterly or monthly in advance and may be adjusted during the billing period for additional contributions, but not for withdrawals. When additional assets are deposited into the client's account after inception of the applicable billing period, the fee payable to MAFM with respect to additional contributions is prorated based on the number of days remaining in the billing period. The asset value of client's account for purposes of determining the fee payable to MAFM is based on the market value of the client's account as of the last trading day prior to the billing date.

We have changed our practices regarding 12b-1 fees. Certain MAFM advisory Programs have higher total fees than other advisory Programs based on a number of factors including, but not limited to management fees and administrative fees. A conflict of interest exists to the extent that we have a financial incentive to recommend a particular advisory Program that results in additional or greater compensation to MAFM.

MAFM does not seek to offer mutual funds or share classes that are necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory Account, such as ETFs. In addition to the Management Fee paid to MAFM, you will also bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser, distribution, shareholders services or other fees. These expenses are an additional expense to you and not covered by the fees for Program services; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the Management Fee, when considering any advisory Program and the total compensation MAFM receives.

Most of the mutual funds included on the MAFM platform do not pay MAFM or our affiliates 12b-1 fees. Any 12b-1 fee payments we do receive for eligible mutual funds held in advisory accounts are credited back to the Client.

Although MAFM has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client by client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

In addition, MAFM may provide investment management or advice for its employees and their family members at a reduced charge. As a result, clients of MAFM may have differing fee schedules. The fees payable to MAFM are generally debited from the client's account and noted on the statement received from the broker/dealer or custodian.

MAFM is not compensated on the basis of the share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of the client.

The annualized fee for Investment Supervisory Services for Individual Portfolios is charged as a percentage of assets under management, according to the following schedules:

#### Advisors Choice

##### Equity and Balanced Accounts

\$25,000 - \$1,000,000	2.25% of assets
\$1,000,000 - \$2,000,000	2.00% of assets
Over \$2,000,000	1.75% of assets

##### Fixed Accounts

\$25,000 - \$500,000	2.25% of assets
\$500,000 - \$1,000,000	2.00% of assets
\$1,000,000 - \$2,000,000	1.75% of assets
Over \$2,000,000	1.50% of assets

A minimum of \$25,000 of assets under management is generally required for the Advisors Choice service. This account size may be negotiable under certain circumstances. MAFM may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. In some circumstances, the Client may be offered an annual "flat-dollar fee" arrangement with MAFM whereby an agreement is reached to provide a defined set of services for a sum certain, usually paid on a quarterly basis for the term of the agreement.

#### LMK Advisors

##### Equity and Balanced Accounts

\$25,000 - \$1,000,000	2.75% of assets
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\$1,000,000 - \$2,000,000 2.25% of assets

Over \$2,000,000 2.00% of assets

#### Fixed Accounts

\$25,000 - \$500,000 2.25% of assets

\$500,000 - \$1,000,000 2.00% of assets

\$1,000,000 - \$2,000,000 1.75% of assets

Over \$2,000,000 1.65% of assets

A minimum of \$100,000 of assets under management is required for the LMK Advisors service.

#### Mid Atlantic Financial Product Management Strategy ("FPM") Fee Schedule

First \$50,000 2.50% of assets

Next \$200,000 2.25% of assets

Next \$250,000 2.00% of assets

Next \$500,000 1.75% of assets

Over \$1,000,000 1.50% of assets

Many Financial Products pay commissions. If commissions are payable to NewEdge Securities for the underlying managed investments, MAFM will reduce the management fee by the commission rate contracted with the product vendor. An example of this would be if a variable annuity pays a 1% per year commission to NewEdge Securities, the quarterly fee would be reduced by 0.25% each quarter of that year. The offset will not include any non-commission charges of the custodian, which will be the responsibility of Client.

#### Institutional Investment Consulting

\$1,000,000 - \$25,000,000 1.00% of assets

\$25,000,000 - \$50,000,000 0.40% of assets

Over \$50,000,000 0.25% of assets

Although the IIC program has no minimum asset value, services are typically provided to larger "Institutional" investors.

The annualized fee for Investment Supervisory Services for Model Portfolio Management services is charged as a percentage of assets under management, according to the following schedules:

#### Mid Atlantic Fund Strategy and Mutual Fund Strategy

\$ 10,000 - \$ 999,999 1.75% of assets

\$1,000,000 - \$1,999,999 1.50% of assets

\$2,000,000 and over 1.25% of assets

#### Fund Allocation Strategies

\$25,000 - \$1,999,999 1.20% of assets

\$2,000,000 - \$4,999,999 1.00% of assets

\$5,000,000 and over 0.80% of assets

#### Mutual Fund Direct

\$10,000 and over 1.00% of assets

The minimum recommended amount of assets to be managed for these services is as follows:

Mid Atlantic Fund Strategy - \$10,000

Mutual Fund Strategy - \$25,000

Fund Allocation Strategies - \$25,000

Mutual Fund Direct - \$10,000

This account size may be negotiable under certain circumstances. MAFM may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

#### Manager of Manager Programs

MAFM pays a portion of the total fee to the third party investment adviser. The third party investment adviser's portion of the fee can range from .10% to 1.5% based upon the style of management and the asset class. For example, equity management may be more expensive than fixed income management. MAFM's portion of the fee is usually the amount paid by the client net of the third party investment adviser's fee. From MAFM's portion of the fee, MAFM pays the trading and custodial charges, if any. MAFM also pays the Investment Advisor Representative ("IAR") from MAFM's portion of the fee. The IAR's compensation from the fee may be more than the IAR would have received if the client had participated in other MAFM programs or if the client had paid separately for investment management, consulting, custody, brokerage, and other services. Therefore, the IAR may have a financial incentive to recommend the Manager of Managers programs over other programs or services. Our annual fee for the Manager of Managers Programs is charged as a percentage of assets under management, according to the following schedules:

#### Equity and Balanced Accounts

\$100,000 - \$1,000,000 2.75% of assets

\$1,000,000 - \$2,000,000 2.50% of assets

Over \$2,000,000 2.25% of assets

Fixed Income Accounts

\$100,000 - \$1,000,000 2.00% of assets

\$1,000,000 - \$2,000,000 1.75% of assets

Over \$2,000,000 1.50% of assets

A minimum of \$100,000 of assets under management is required for services under the MAPS & SAS programs and \$25,000 under the MMP program. This account size may be negotiable under certain circumstances. MAFM may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### PENSION CONSULTING FEES

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedules:

Aggregate 401(k) Sponsor Assets in the 401k Consulting Program

\$1,000,000 - \$25,000,000 1.00% of assets

\$25,000,000 - \$50,000,000 0.40% of assets

Over \$50,000,000 0.25% of assets

Plan sponsors are invoiced in advance at the beginning of each calendar quarter.

Although the IIC program has no minimum asset value, services are typically provided to larger "Institutional" investors.

Non-Discretionary Advisory Services

\$ 1 - \$50,000 2.00% of assets

\$50,000 - \$250,000 1.75% of assets

\$250,000 - \$500,000 1.50% of assets

\$500,000 - \$1,000,000 1.25% of assets

\$1,000,000 and over 1.00% of assets

#### FINANCIAL PLANNING FEES

MAFM's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$50 to \$500 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's

personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Our Financial Planning fees may also be calculated and charged on a fixed fee basis, typically ranging from \$500 to \$20,000, depending on the complexity of the plan requested and on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

**Financial Planning Fee Offset:** MAFM reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

The client is billed quarterly in advance based on our total estimated Financial Planning fees.

The client is billed quarterly in arrears based on actual hours accrued.

The client is billed quarterly in arrears based on actual hours accrued.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Most of the mutual funds included on the MAFM platform do not pay MAFM or our affiliates 12b-1 fees. Any 12b-1 fee payments we do receive for eligible mutual funds held in advisory Accounts are credited back to the Client.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to MAFM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

MAFM does not seek to offer mutual funds or share classes that are necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory Account, such as ETFs. In addition to the Management Fee paid to MAFM, you will also

bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser, distribution, shareholders services or other fees. These expenses are an additional expense to you and not covered by the fees for Program services; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the Management Fee, when considering any advisory Program and the total compensation MAFM receives.

Most of the mutual funds included on the MAFM platform do not pay MAFM or our affiliates 12b-1 fees. Any 12b-1 fee payments we do receive for eligible mutual funds held in advisory Accounts are credited back to the Client.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transaction for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to MAFM's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** MAFM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, MAFM may only charge fees for investment advice about products for which our firm and/or our employees do not receive any commissions or 12b-1 fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

MAFM does not charge performance-based fees.

## **Item 7 Types of Clients**

MAFM provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Other pooled investment vehicles (e.g., investment partnerships)
- Charitable organizations
- Insurance Companies
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### Methods of Analysis

MAFM provides a variety of portfolio construction methods utilizing third-party analytical tools to create a solution in an effort to meet the Client's risk and return objectives. MAFM uses capital markets assumptions and optimization methods to estimate the expected returns for asset classes. This process results in the construction of optimized, diversified portfolios across a wide set of risk tolerances and preferences that can be employed on behalf of the Client. MAFM uses demographic and financial information provided by the Client and to assess the Client's risk profile and investment objectives. MAFM uses commercially available optimization software applications to develop its asset allocation strategies.

### AC Program

Each IAR has access to various market, research, portfolio modelling and other tools and information to which he or she may refer in determining investment advice provided to clients. IARs choose their own research methods, investment style, and management philosophy. Accordingly, the investment advice provided to each client may vary from one IAR to another. The investment strategies and advice may vary depending upon each client's specific financial situation. As such, IARs determine investments and allocations based upon clients' predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Clients' restrictions and guidelines may affect the composition of client portfolios.

## LMK Advisors

LMK uses multiple sources of outside research including, but not limited to, Morningstar and Standard & Poors to create individual income and equity portfolios. We use a two-prong approach to construct diversified portfolios of closed end funds and individual equities when appropriate. The asset allocation is determined by the Client's investment objective which takes into consideration risk tolerance, time horizon and income needs.

MAFM will implement its investment strategies by recommending the following types of investments:

- Equities
- Fixed Income
- Mutual Funds
- Exchange Traded Funds

The foregoing is not a comprehensive list of the methods of analysis and strategies that may be employed by MAFM, nor are the descriptions necessarily the only ways in which the methods of analysis and strategies may be implemented.

**Third-Party Money Manager Analysis.** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

### Risk of Loss

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risks:* The profitability of a significant portion of NewEdge Advisors' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that MAFM will be able to predict those price movements accurately or capitalize on any such assumptions.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.

- *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasuries are highly liquid, while real estate properties are not.
- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Correlation Risk*: This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.
- *Counterparty/Default Risk*: This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.
- *Valuation Risk*: This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.
- *Tax Risk*: This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment. For example, a client may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment and may not be appropriate for tax qualified retirement accounts.

#### *Exchange Traded Funds*

An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

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 generally 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 shares 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.

#### *Use of Independent Managers*

As stated above, MAFM may select certain Independent Managers to manage a portion of its clients' assets. In these situations, MAFM continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, MAFM generally may not have the ability to supervise the

Independent Managers on a day-to-day basis. The success of the third-party manager depends on the capabilities of its investment management personnel and infrastructure, all of which may be adversely impacted by the departure of key employees and other events. The future results of the third-party manager may differ significantly from the third-party manager's past performance. While the Firm intends to employ reasonable diligence in evaluating and monitoring third party managers, no amount of diligence can eliminate the possibility that a third party manager may provide misleading, incomplete or false information or representations, or engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, insider trading, misappropriation of assets and unsupportable valuations of portfolio securities.

#### *Risk Relating to Money Market Funds*

You could lose money in money market funds. Although money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of money market funds will fluctuate and when you sell shares, they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits.

Moreover, in some circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings are liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or ATM debits from your account.

#### *Risks Relating to Differing Classes of Securities*

Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders' rights generally are more favorable than shareholders' rights in a bankruptcy or reorganization.

#### *Tax and Legal Considerations*

You are responsible for all tax liabilities and tax return filing obligations arising from the transactions in your account or any other investment advice offered by us. Changing your investment strategy or engaging in portfolio rebalancing transactions may result in sales of securities which may subject you to additional income tax obligations. Consult your independent tax or legal advisor with respect to the services described in this Brochure. MAFM does not provide tax, legal, accounting, estate or actuary advice, and this Brochure or any other document received from New Edge in connection with the Platform should not be construed as providing such advice.

#### *Cybersecurity Risks*

We must rely in part on digital and network technologies (collectively, "networks") to conduct our investment advisory business. Such networks, including those of service providers, are susceptible to cyber-attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data or causing operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering

functions aimed at obtaining information necessary to gain access. Cyber-attacks against, or security breakdowns, of us or our service providers, if applicable, may adversely impact us and our clients, potentially resulting in, among other things, financial losses; our inability to transact business on behalf of our clients; reputational damage; and/or additional costs. The Firm may incur additional costs related to cybersecurity risk management and remediation. In addition, cybersecurity risks may also impact issuers of securities in which we invest on behalf of our clients, which may cause our clients' investment in such issuers to lose value.

## **Item 9      Disciplinary Information**

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

In 2018, the Mid Atlantic Financial Management, Inc. was contacted by the staff of the U.S. Securities & Exchange Commission regarding MAFM's earlier disclosures and practices related to the selection of mutual fund share classes that paid Rule 12b-1 distribution fees when a lower cost share class that did not pay 12b-1 fees was available. MAFM cooperated fully with the SEC staff regarding its inquiry respecting those matters and, on September 30, 2019, the Firm entered into a settlement with the SEC.

Under the settlement, MAFM, without admitting or denying any violation or wrongdoing, consented to findings related to alleged breaches of fiduciary duty and inadequate disclosures in connection with MAFM's mutual fund share class selection practices and the fees it received. The settled administrative order states that, at times during the relevant period, MAFM purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible. The settled order also states that MAFM received 12b-1 fees in connection with these investments that MAFM failed to disclose in its form ADV or otherwise. Further, the order states that MAFM breached its duty to seek best execution for certain clients by investing them in mutual fund share classes that paid 12b-1 fees rather than lower-cost share classes, and that MAFM failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices. As a result of the alleged conduct, the Commission found that MAFM willfully violated sections 206(2) and 206(4) of the Advisers Act and rule 206(4)-7 thereunder.

The order provides that MAFM shall cease and desist from committing or causing future violations, is censured, and will pay disgorgement of \$900,069, together with prejudgment interest and a civil money penalty in the amount of \$300,000 MAFM also agreed to certain undertakings under the settlement. In determining to accept MAFM's settlement offer, the Commission considered other remedial acts promptly undertaken by MAFM and the cooperation afforded the SEC staff by the Firm.

MAFM has paid the civil money penalty and distributed disgorged funds to impacted clients. MAFM also has implemented operational and policies and procedures changes that it believes are reasonably designed to prevent future violations.

## Item 10 Other Financial Industry Activities and Affiliations

Management personnel of MAFM are separately licensed as registered representatives of NewEdge Securities, an affiliated **broker/dealer**. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

MAFM recommends to clients the use of NewEdge Securities for services relating to the execution and clearing of trades for client accounts.

Comprehensive investment fees are also utilized with respect to client assets in which NewEdge Securities provides execution and clearing services for the account.

NewEdge Securities and registered representatives receive commissions for executing securities transactions in client accounts with NewEdge Securities. While it is NewEdge Securities' general policy to reduce transaction charges for securities transactions in MAFM client accounts, clients are advised that NewEdge Securities' transaction charges may be higher than the commissions the client might pay if the transactions were executed at other broker/dealers.

MAFM's investment management and advisory services invest in mutual funds. A client that invests in mutual funds is subject to the payment of 12b-1 and/or shareholder servicing fees for distribution to the broker as set forth in the prospectuses of those mutual funds. When NewEdge Securities is used as the broker/dealer to effect the transaction in mutual funds, it may receive the 12b-1 and/or shareholder servicing fees. Mutual funds are sold by prospectus only. MAFM has established policies and procedures to ensure that when purchasing Mutual Funds into client accounts, the selection provides the lowest cost share class eligible to purchase for that fund. Additionally, we have established systematic procedures to rebate to the client 12b-1 fees that are inadvertently incurred.

Institutional shares generally have lower expense ratios and are typically less costly for a client to hold than other share classes eligible for purchase within an advisory relationship. Clients should not assume that they will be invested in the share class with the lowest possible expense ratio and cost. The lowest-cost mutual fund share class for a particular fund may not be available through MAFM or available for purchase within specific types of accounts.

MAFM is under common control with Mid Atlantic Trust Company ("MATC"), a South Dakota non-depository trust company which handles the custody, directed trustee, paying agent, and reporting services for corporate retirement plans, and asset custody for some clients of MAFM as recommended by their personal advisor. While MAFM is not directly compensated by MATC for revenue generated due to this arrangement, it does benefit indirectly, due to the companies being under common control.

While MAFM and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients,

however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Management personnel of our firm are also Officers of NewEdge Securities, a registered broker/dealer. In their capacity as supervisory principals of NewEdge Securities, they devote time to the oversight of the operations of the broker/dealer.

Clients should be aware that the receipt of additional compensation by MAFM and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. MAFM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As previously disclosed, we recommend the services of various registered investment advisers to our clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

#### **NEWEDGE WEALTH, LLC**

MAFM is under common control with NewEdge Wealth, LLC. NewEdge Wealth, LLC is an investment adviser registered with the SEC that provides investment advisory services to retail investors.

We are aware of the special considerations required under Rule 206(4)-3 (the "cash solicitation" rule) of the  
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Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

MAFM and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

MAFM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [ksmith@macg.com](mailto:ksmith@macg.com), or by calling us at 412-391-7077.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

MAFM does not have any soft dollar arrangements and does not receive any soft dollar benefits.

MAFM requires that clients provide us with written authority to determine the broker dealer to use. As a matter of practice, virtually all client account brokerage transactions are executed through NewEdge Securities and this arrangement may limit or eliminate MAFM's ability to obtain best execution due to the lack of flexibility to utilize other broker dealers.

As a matter of policy and practice, MAFM does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Clients of MAFM with custody at our affiliated company Mid Atlantic Trust Company ("MATC") have mutual fund and exchange traded funds ("ETF") trades initiated by MATC. As a practical matter ETF trades are accumulated as received and then sent by MATC for execution every half hour starting at 9:15 am ET, rather than immediately. This practice may effect trade execution as the price received could be higher or lower than it would have been if immediately executed.

MAFM offers clients access to bank deposit sweep accounts that may be used to hold a cash balance in their NewEdge Securities brokerage account that is awaiting reinvestment.

The NewEdge Securities Bank Deposit Sweep Program ("Program") may be the default account investment vehicle used to hold your cash balance while awaiting reinvestment for eligible accounts.

The cash balance in your eligible NewEdge Securities brokerage accounts may be deposited automatically or "swept" into interest-bearing FDIC-insurance eligible Program deposit accounts ("Deposit Accounts") at one or more FDIC-insured financial institutions (each a "Program Bank" or collectively, "Program Banks"). The Program may create financial benefits for NewEdge Securities and for NFS. We will receive a fee from each Program Bank in connection with the Program (equal to a percentage of all participants' average daily deposits at the Program Banks). Amounts will vary but in no event will be more than 1.75% (net of third party fees) on an annualized basis, as applied across all Deposit Accounts. In our discretion, we may reduce our fee and may vary the amount of the reductions among clients. The fee may vary from bank to bank. The amount of fee received will affect the interest rate paid to customers by the Bank. We will also pay a fee to NFS. We reserve the right to modify the fees we receive from Program Banks. From time to time, if the fee increases, clients will receive notification of any such change. In addition to our fee, other service providers with respect to the Program will receive fees from each Bank (collectively, with the fees paid to us and/or NFS, "Program Fees").

In addition to the Program Fees referenced above, clients' brokerage accounts generally may be charged additional fees that apply to securities accounts maintained by NewEdge Securities.

Applicable law governing retirement accounts, such as qualified plans under ERISA, and individual retirement accounts under the Internal Revenue Code, necessitates that interest rates paid by the Program Banks for deposits in the Deposit Accounts, our fee, and other service fees are negotiated at arm's length, are believed to be fair and reasonable, and are designed to approximate value for the services involved and in the context of customers' eligible assets.

The Program Banks use Program deposits for funding current and new lending and for investment activities. The Program Banks earn net income from the difference between the interest they pay on Program Deposits and the fees paid to us and the income they earn on loans, investments, and other assets. As noted above, the Program Banks may pay rates of interest on Program Deposits that are lower than prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank. Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate. Lower rates may be more financially beneficial to a Program Bank. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the money market mutual fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other core account investment vehicles currently available to you or possible core account investment vehicles that we have used in the past or may consider using in the future. In addition, we will make compensation payments to NFS, our clearing agent, for recordkeeping and other services with respect to amounts invested in the Program, which will be no more than 25 basis points (0.25%).

NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products. As a result of the fees and benefits described above, the Program may be significantly more profitable to us than other available sweep options, if any. NewEdge Securities and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the Program.

A current version of Bank Deposit Sweep Program Disclosure Document, which is provided to all MAFM brokerage clients, is available at <https://www.macg.com/clients/brokerage-sweep-disclosures/>

MAFM clients may utilize Mid Atlantic Trust Company as a custodian for certain managed accounts. As the custodian of the account, Mid Atlantic Trust Company will hold cash pending transactions such as distributions, pending investments, trade settlements, program liquidity requirements and other transactions in a master cash account using one or more sub-custodial bank depositories. These are generally omnibus accounts in the name of Mid Atlantic Trust Company for the exclusive benefit of their customers, which are sub-accounted by Mid Atlantic Trust Company at the individual account level and reported to the client on their monthly statement or made available on a continuous basis via secure web access at [secure.macg.com](https://secure.macg.com).

When acting as custodian or directed trustee, Mid Atlantic Trust Company and/or its affiliates or agents, may retain, as part of their reasonable compensation, interest income and other benefits earned on certain uninvested plan cash ("Float"). The Float rate of return is based upon and approximates current short-term money market rates as in effect from time to time. In certain instances, MAFM or its affiliates or agents may earn bank credits in lieu of interest, and in such instances that rate is generally the then current Federal Funds rate, plus some factor. Additional information related to this Float disclosure may be obtained at <https://www.macg.com/clients/trust-cash-deposit-disclosures/>.

## **Item 13      Review of Accounts**

## **INVESTMENT SUPERVISORY SERVICES ("ISS")**

### Portfolio Reviews

MAFM monitors client portfolios on a regular and ongoing basis. Client reviews are conducted periodically. Such reviews are conducted by the Firm's IARs. All investment advisory clients are encouraged to discuss their needs, goals and objectives with their IARs and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from their account custodians. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from MAFM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from MAFM or an outside service provider.

## **PENSION CONSULTING SERVICES**

**REVIEWS:** MAFM will review the client's Investment Policy Statement ("IPS") whenever the client advises us of a change in circumstances regarding the needs of the plan. MAFM will also review the investment options of the plan according to the agreed upon time intervals established in the IPS.

**REPORTS:** These client accounts will receive reports as requested at the inception of the advisory relationship.

## **SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

**REVIEWS:** These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

MAFM will provide reviews on an ongoing basis.

**REPORTS:** These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

MAFM will provide these client accounts with reports as contracted for at the inception of the advisory relationship.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

### **CONSULTING SERVICES**

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## **Item 14 Client Referrals and Other Compensation**

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

In addition to receiving fees in their capacity as an investment adviser or solicitor, MAFM and its IARs may receive reimbursements or marketing allowances for marketing expenses and business development costs incurred by the IAR. In addition, IARs may receive invitations to conferences and meetings that are sponsored by firms that offer third-party programs to the advisor. Portfolio strategists, investment managers, and product manufacturers may contribute to the cost of the conferences and meetings, may be identified as a sponsor of the conference or meeting, and may have the opportunity to promote their products, programs, and services directly to MAFM and its IARs. Additionally, the advisor's travel-related costs and expenses, meals, and entertainment may be paid or subsidized by the firms. These payments to N. and its IARs present a conflict of interest because they provide a financial incentive for advisors to recommend clients to the products of the payers.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a

statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also make performance reports available to our clients on a periodic basis. We urge our clients to carefully compare the information provided on these reports to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

### **MANAGER OF MANAGERS PROGRAM**

As previously disclosed in Item 4 of this brochure, we do not "manage" client portfolios in the traditional sense of the definition, rather MAFM manages the managers of client portfolios within this program. Accordingly, clients participating in this program grant us authority to hire and fire the selected asset manager(s) managing client accounts.

Clients give us this authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may change/amend these limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18    Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that is deemed to have custody, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. MAFM has no additional financial circumstance to report.

MAFM has not been the subject of a bankruptcy petition at any time.