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FIRM BROCHURE

Updated July 26, 2022

Part 2A of Form ADV

This brochure provides information about the qualifications and business practices of McDonald Partners LLC. If you have questions about the contents of this brochure, please contact us at 866-899-2997 or you may email us at compliance@mcdonald-partners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

McDonald Partners LLC is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about McDonald Partners LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section of the brochure will discuss any material changes that have occurred since the McDonald Partners LLC ("McDonald Partners" or "the Firm") last annual update of its Form ADV Part 2A Brochure ("Brochure") on March 30, 2022. The Firm's annually updated brochure is filed with the SEC and is available to the public on the SEC's Investment Advisors Public Disclosure Website at www.adviserinfo.sec.gov.

This Form ADV Part 2A Brochure has been updated to reflect the following material change:

- Item 9 – Disciplinary Information reflecting the Firm signing a Letter of Acceptance, Waiver and Consent("AWC") with FINRA on June 22, 2022.

McDonald Partners will provide a complete brochure at your request at any time. Please call us at 866-899-2997, or you may send an email to compliance@mcdonald-partners.com.

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Item 4 – Advisory Business

Founded by Thomas McDonald in 2005, McDonald Partners LLC ("McDonald Partners" or the "Firm") is a dually registered investment adviser and broker-dealer headquartered in Cleveland, Ohio with offices throughout Northern Ohio and Michigan. McDonald Partners provides a variety of investment management services through its Financial Advisors to individual and institutional clients, including banks, pension and profit-sharing plans, trusts, estates, charitable organizations, and business entities. These services are provided on a personalized basis with investment programs tailored to reflect each client's specific circumstances. These tailored services may include restrictions of industry (i.e., gambling, tobacco, etc.), income needs, and tax planning, to name a few. We work with you to design an investment portfolio and style that will meet your personal goals.

McDonald Partners has six wealth management groups: CapTrust Financial Advisors, Mansour Wealth Management, Pareto Wealth Management, MRT Asset Management, and Goodman Financial Group/Goodman Wealth Advisors. The first five groups are separate legal entities. The financial advisors in all these groups are investment adviser representatives and registered representatives of McDonald Partners. Goodman Financial Group/Goodman Wealth Advisors is used as a "doing business as" by that team.

Throughout this brochure, we refer to McDonald Partners' investment adviser representatives as Financial Advisors.

Financial Planning services: McDonald Partners provides financial planning services. Your Financial Advisor will ask you for information about your financial situation, and work with you to define your personal and financial goals, understand your time frame for results and discuss, if relevant, how you feel about risk. Your Financial Advisor will analyze pertinent information to assess your current situation and determine how to meet your goals. Depending on which services you have requested, this could include analyzing your assets, liabilities and cash flow, current insurance coverage, investments, or tax strategies. Once your situation has been evaluated, your Financial Advisor will offer financial planning recommendations that address your goals, based on the information you provide. You and your Financial Advisor will determine how the recommendations should be carried out. The advisor may implement the recommendations, or serve as your "coach," and coordinate the entire process with you and any other professionals. The Firm does not provide legal, accounting or tax advice.

In addition to the services described in this brochure, we also offer other fee-based account products through an agreement with RBC Correspondent Services ("RBC CS"), our clearing broker-dealer. These products may offer a higher or lower fee than other products offered through this brochure. A copy of the RBC CS brochure, describing its product lines, is available at your request.

McDonald Partners serves, through an affiliated entity, as manager to seven private funds (the "Funds"), MP DPI LLC, MP127 LLC, MPCF II LLC, MPCF III LLC, MPCF LLC, Eden Rock Montenegro LLC, and ERM Resort LLC. McDonald Management LLC, a wholly owned subsidiary of McDonald Partners, is the manager of the private funds. For the Funds, McDonald Management LLC receives no compensation for its advisory services aside from reimbursement of its reasonable expenses. Please see the discussion of fees paid by MPCF III LLC below.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. Persons reviewing this Brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only using a confidential private placement memorandum.

With respect to MP127 LLC, MPCF LLC, MPCF II LLC, MP DPI LLC, Eden Rock Montenegro LLC and ERM Resort LLC, McDonald Partners served as placement agent and received placement fees of ranging from 3% to 5% of the gross proceeds of the offerings, as more fully described in the private placement memorandum for each fund.

With respect to MP DPI LLC, McDonald Partners paid the Fund's organizational, legal, and accounting costs and other expenses and fees related to the Underlying Investment and the Fund's operation out of the placement agent fees it received for acting as the placement agent for the Underlying Offering, including the proceeds of the Fund Offering. McDonald Partners received compensation in the form of warrants to purchase shares of Diasome's common stock for its financial advisory services.

With respect to Eden Rock Montenegro LLC, McDonald Management LLC can receive a carried interest as owner of Class B Units, if such units are issued. This interest will only be distributed after each Class A Member has been paid a preferred return and all its capital contributions have been repaid.

With respect to ERM Resort LLC, McDonald Management LLC can receive a carried interest as owner of Class B Units, if such units are issued. This interest will only be distributed after each Class A Member has been paid a preferred return and all its capital contributions have been repaid.

With respect to MPCF III LLC, McDonald Management LLC, as fund manager, can receive a 20% carry following the full return of capital to the limited partners in the funds. Additionally, once certain conditions are satisfied, the Fund will pay to McDonald Partners a fee for management and administrative services equal to 1% of the aggregate offering proceeds. McDonald Partners did not receive a placement fee for its services as placement agent for this Fund.

The account-level advisory fee on client assets invested in the Funds is waived until such time that the total dollar amount of advisory fees waived equals or exceeds the placement fee charged for those Funds where McDonald Partners received a placement fee. The fees to be charged on these assets are based on the fair value of the Funds and will not exceed the maximum advisory fees set forth in Item 5 Fees and Compensation. In most cases, the assets in the Funds are not publicly traded and are valued by McDonald Partners or by a third-party valuation consultant in accordance with its valuation policy.

Individual Portfolio Management

McDonald Partners provides investment advisory services to retail and high net worth clients which includes corporate entities, pension plans, public funds, foundations, endowments, and other tax-exempt entities. Such accounts are managed in accordance with investment objectives, guidelines, and restrictions established by each client. McDonald Partners executes purchases and sales of securities for these accounts through its affiliated broker-dealer.

McDonald Partners LLC's broker-dealer uses its best efforts to obtain the best available price and most favorable execution through its clearing firm, RBC CS. Clients with a Flex Account do not pay any additional fees to the broker-dealer for these services.

Hegarty Asset Management

Hegarty Asset Management is a proprietary asset management program operating as a division of McDonald Partners. The division currently offers one product entitled "Core". It is a large capitalization discipline investing in a blend of both growth and value companies. The portfolio typically owns between 40-50 companies diversified among the eleven major sectors of the Standard & Poor's 500 Index. This index also represents the performance benchmark. Key "Core" portfolio characteristics include discounted valuation on a price-book, price-sales, and price-earnings basis. Companies in the portfolio have projected 3-5-year earnings, revenue, and dividend growth well above that projected for the market. The risk and volatility profile are moderate with a beta below that of the S&P 500 Index.

"Core" is available to both McDonald Partners Financial Advisors and to other investment advisory firms. The fee to Hegarty Asset Management is competitive with other third-party managers. The minimum account size for Hegarty Asset Management is $250,000, although exceptions are granted at the discretion of Bill Hegarty, the portfolio manager.

Bill Hegarty, Chief Investment Officer of McDonald Partners, is the portfolio manager. He has over 35 years of investment research and portfolio management experience. Details regarding Mr. Hegarty experience are outlined in his Form ADV Part 2B Supplement.

<u>Conflict of Interest</u>: Because McDonald Partners earns compensation from Hegarty Asset Management for assets placed, this constitutes a conflict of interest. Individual representatives of the Firm do not earn additional compensation, however, from a business aspect, the additional compensation presents a conflict of interest for which you end up paying more or less for those same services. Please discuss all fee arrangements with your Financial Advisor or if you have any questions regarding this conflict of interest, please contact our compliance department.

Wrap Fee Program Services

a. Flex Account:

We offer the McDonald Partners Flex Account. Our Flex accounts can be non-discretionary (you work alongside your Financial Advisor) as well as discretionary (your Financial Advisor has your permission to manage your account without your consent as to what/when/how much or what price to buy or sell securities in your account). The Flex account offers advisory services along with transaction, clearing, and custodial services for one fee based on the assets under management, and is considered a wrap-fee program. This is different from non-wrap-fee management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis. Based upon information from you during an initial interview, your Financial Advisor will construct a portfolio of securities based on your specific individual needs, risk tolerance and investment objectives. Your portfolio can include some or all of the following investment vehicles: load or no-load mutual funds, exchange-traded funds (ETFs), stocks, bonds, cash, cash equivalents, closed-end funds, and other securities as appropriate for your individual needs. For a more detailed description of this program, please refer to the McDonald Partners Wrap-Fee brochure.

Small accounts under the Flex Program, known as ACCESS accounts, require a minimum initial investment amount of $5,000, which is subject to negotiation, as determined by McDonald Partners. Please see Item 5 for additional information related to fees and limitations associated with ACCESS accounts that differ from the standard Flex program.

McDonald Partners also offers client accounts that charge separate brokerage and management fees for clients who do not wish to pay an all-inclusive fee (“wrap fee”).

b. RBC Advisor

The RBC Advisor Program is a fee-based investment advisory program sponsored by RBC CS and made available to McDonald Partners as an introducing-broker to RBC CS. RBC Advisor is a customized investment advisory program through which a client receives non-discretionary advice from a McDonald Partners Financial Advisor to invest in eligible securities in various asset classes. This is accomplished through no-load mutual funds, load-waived mutual funds, equities and fixed income securities and other eligible securities. In the RBC Advisor Program, a McDonald Partners Financial Advisor will provide a client with Advisory Services in an investment account (“Advisor Account”) based on the client's Investment Guidelines as provided in the client’s profile.

The minimum initial account value of $25,000 is required under this program. The program is available for both non-retirement and retirement accounts, including individual retirement accounts (IRAs). The program provides for non-discretionary management of your account, meaning you have sole discretion whether to accept or reject an investment strategy or any specific recommendation to purchase, sell, or redeem securities.

After you execute the Advisor Program Client Agreement and Advisor Program Terms and Conditions, your advisor will help you establish a brokerage account through McDonald Partners, LLC and RBC CS will act as the qualified custodian for your account. For brokerage execution and other services rendered under the Program, you pay McDonald Partners and RBC CS a single quarterly Program fee based on the value of your account (regardless of the number of trades completed).

McDonald Partners and RBC CS require you to provide information sufficient to determine a risk profile (“Risk Profile”), which is intended to measure your investment time horizons and risk parameters. Based on your Financial Advisor’s understanding of your investment needs and objectives gained from the consultation process and the Risk Profile (and any additional investment guidelines), he or she will develop an appropriate investment strategy for the management of your account. You are responsible for promptly bringing to your Financial Advisor's attention any material changes in the information provided in the Risk Profile or your financial condition, as well as any additional written investment guidelines.

You can establish written investment guidelines in addition to the Risk Profile, subject to acceptance by McDonald Partners. Eligible securities include mutual funds offered at their net asset value without any front-end or deferred sales charge and no-load funds. If the investment strategy will be implemented with mutual funds only, you select from the various eligible mutual funds and specify, in writing, the mutual funds in which the account assets are to be invested and the allocation among those funds. This written fund allocation can subsequently be modified by notifying your McDonald Partners Financial Advisor. McDonald Partners and RBC CS have no discretionary authority with respect to the Advisor Account and will execute only transactions directed by client.

Clients understand that their Advisory Accounts are not for day trading or any other frequent trading activity, including frequent option trading, and the Firm or RBC CS can, without limiting any other rights or remedies, restrict or terminate the Advisor Account if it determines that client is engaging in such activity. In addition, McDonald Partners or RBC CS can restrict or terminate the account if a client purchases for, or transfers into, the account ineligible securities without the prior consent of RBC CS. Client is solely responsible for the use of trading privileges in the Advisor Account. Losses resulting from client-initiated or client-directed transactions, including, without limitation, losses resulting from the frequency of trading, are solely client's responsibility.

In an Advisor Account, the client pays an asset-based fee for both Advisory Services and transaction processing. McDonald Partners and RBC CS reserve the right, in their sole discretion, to adjust the annual IA Program fee for changes in security type, trading activity, or Account size at any time without notice.

Fees

A portion of the fee, up to 0.35%, is retained by RBC CS for execution and other account-related services based on the size of the account and overall fee. The remainder of the fee is retained by McDonald Partners for advisory services based on the size of the account and overall fee.

For more information about the operation of the RBC Advisor Program, please see the RBC Advisor Program Agreement, Terms and Conditions and RBC Correspondent Services Advisory Programs Disclosure Document.

c. RBC Unified Portfolio

RBC Unified Portfolio is a unified managed account ("UMA") program through which your Account is professionally managed by RBC CM as Overlay Manager. The Overlay Manager manages the Account through investments in mutual funds, ETPs, and/or in accordance with one or more model portfolios provided by Model Providers or RBC CS, all in a single Account. Your McDonald Partners Financial Advisor provides you with information on mutual funds, ETPs, and/or model portfolios representing different investment styles and strategies that are compatible with your Risk Profile.

Fees

A portion of the fee, up to 0.20%, is retained by RBC CS for execution and other account-related services based on the size of the account and overall fee. The remainder of the fee is retained by McDonald Partners for advisory services based on the size of the account and overall fee.

For more information about the operation of the RBC Unified Portfolio Program, please see the RBC Unified Portfolio Program Agreement, Terms and Conditions and RBC Correspondent Services Advisory Programs Disclosure Document.

d. Consulting Solutions

Consulting Solutions is a fee-based investment advisory program sponsored by RBC CS and made available to McDonald Partners as an introducing-broker to RBC CS through which your account is managed by one or more professional investment managers participating in the program. Your Financial Advisor provides you with information on investment managers whose investment philosophy and objectives are compatible with your risk profile, and you select the investment manager. RBC CS makes available Investment Managers who meet RBC CS' eligibility requirements for participation in the program.

For more information about the operation of the RBC Consulting Solutions Program, please see the RBC Consulting Solutions Program Agreement, Terms and Conditions and RBC Advisory Programs Disclosure Document.

e. Unbundled Managed Account Solutions

Unbundled Managed Account Solutions (UMAS) Wrap Fee Program offers Financial Advisors at the Firm the ability to provide customized investment management services.

Pension Consulting Services

McDonald Partners also provides services on a consulting-only basis to pension, profit sharing and 401(k) plans. Services are charged as a percentage of the assets being consulted on or as a flat fee. These services include one, all, or any of the following:

- Investment Policy Statement
- Asset Allocation
- Investment Manager Searches
- Fund Searches

- Manager/Fund Monitoring
- Performance Reporting
- On-going Consulting and Various Other Services
- Financial Planning Services. Your financial plan can include any or all of the following:
    - Educational Fund Planning
    - Retirement Planning
    - Risk Management
    - Estate Planning
    - Business Succession Planning
    - Business Planning
    - Corporate Retirement Planning
    - Insurance Planning

Retirement Plan & Account Advisory 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, we are providing the following acknowledgment to you:

- When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

- The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:
    - Meet a professional standard of care when making investment recommendations (give prudent advice).
    - Never put our financial interests ahead of yours when making recommendations (give loyal advice).
    - Avoid misleading statements about conflicts of interest, fees, and investments.
    - Follow policies and procedures designed to ensure that we give advice that is in your best interest.
    - Charge no more than is reasonable for our services.
    - Give you basic information about conflicts of interest.

Rollovers to an IRA

The Firm may provide, as part of its investment advisory services, recommendations for a client to withdraw their assets from an employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that the Firm will manage on your behalf.

If a client does elect to roll their Employer Plan assets to an IRA, the Firm and your financial advisor may earn fees based on the terms of your management agreement. As a result, an inherent conflict of interest exists because there is an economic incentive for the Firm and your financial advisor to encourage clients to rollover employer plan assets into an IRA managed by the Firm. Clients are under no obligation, contractually or otherwise, to complete a rollover to an IRA. Moreover, if the client decides to complete the rollover, they are under no obligation to have the assets in an IRA managed by our Firm.

In determining whether to complete the rollover to an IRA, and to the extent the options listed below are available, clients should consider the advantages and disadvantages for each option prior to making any decisions. Clients are also encouraged to speak with their accountant and/or tax attorney about their available options.

Typical retirement plan options after leaving employment:

1. Leave the assets in the employer's (former employer's) plan.
2. Transfer the assets to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Transferring the assets into an IRA rollover account.

Prior to making any determinations, clients who are considering rolling over retirement funds to an IRA for the Firm to manage, should take into consideration several different factors:

1. Do the investment options in the employer's retirement plan address your needs or are you interested in other types of investments?
    a. Employer retirement plans generally have a more limited investment menu than IRAs.
    b. Employer retirement plans have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Does your current plan have lower fees than those in an IRA?
    a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
    b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and

services.

3. Will the investment strategies available in the IRA be suitable to your risk tolerance?

4. Does your current plan offer financial advice?

5. If you keep your assets in the current plan, will there be any restrictions as to when you can start taking distributions from that plan?

6. Does your current plan offer more liability protection than an IRA?

    a. Each state may vary, but generally, federal law protects assets in qualified plans from creditors.

    b. Since 2005, IRA assets have been generally protected from creditors in bankruptcies.

    c. There can be some exceptions to the general rules, and you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.

7. If you keep your assets in the current plan, will you be able to take out a loan on your assets?

    a. IRA assets can be accessed any time; however, you do not have the option to take a loan out against an IRA and any distributions are subject to your ordinary income tax rate.

    b. Early distributions before the age of 59.5 may also be subject to a 10% early distribution penalty, unless it qualifies for an exception such as disability, higher education expenses, or the purchase of a home.

8. In your current plan, if you hold company stock in it, are you able to liquidate those shares at a lower capital gains tax rate?

9. Can you hire an outside manager for your current plan, including our Firm, allowing you to keep those assets titled in the plan's name?

It is important that you understand the differences between these types of accounts and to decide whether a rollover is in your best interest. Prior to proceeding, if you have any questions, contact your Financial Advisor, or call our main number as listed on the cover page of this brochure and we will be happy to help you.

Private Funds

As previously discussed, McDonald Partners also manages private investment funds through an affiliated entity, McDonald Management LLC, which is wholly owned and controlled by McDonald Partners. It should be noted that McDonald Partners is not currently offering any new private funds.

Financial Consultation Services

McDonald Partners also provides specialized, ongoing consultation services regarding investment matters, portfolio holdings and other business matters. Fees for these services are negotiable based on the complexity of the services being provided. The negotiated fee will be disclosed to you in advance. The terms of payment for financial consultation services are individually negotiated.

Other Services

As described above, McDonald Partners LLC and its affiliates are engaged in a wide range of securities services. McDonald Partners LLC also gives advice and takes action in the performance of its duties to clients which differ from advice given, or the timing and nature of action taken, with respect to the RBC CS Program advisors.

All accounts described above are managed either on a discretionary or non-discretionarybasis. Assets under management as of December 31, 2021, are:

- Discretionary $ 1,057,886,430
- Non-Discretionary $ 576,424,077
- Total Assets Under Management $ 1,634,310,507

Business Continuity Plan

Our Firm's business continuity plan ("the Plan") is designed to meet the needs of our clients and minimize potential disruption in services during an emergency or disaster. The protocols and capabilities within the plan include:

- Sufficient technical infrastructure and network capacity to support employees working from home in specific areas, or companywide
- Secure, remote access for employees
- Videoconference capabilities in place for employees
- Redundancy capabilities within each of our business units

<u>Public Health Crisis</u>

McDonald Partners activated the Plan in response to the COVID-19 Pandemic ("the Pandemic"). As of the date of this Brochure, the Firm continues to utilize the Plan as needed in response to state and local requirements, as well as any changes in the pandemic itself. When deemed necessary we will take the following actions to protect our employees, our clients and to ensure our business continuity:

- Restricting non-essential business travel
- Recommending employees avoid large, in-person gatherings
- Closing our office and requiring our employees to work from home
- Conducting all client and firm meetings via teleconference or videoconference

We will continue to monitor the latest developments and updates for the Pandemic from the World Health Organization and the Centers for Disease Control and Prevention.

Item 5 – Fees and Compensation

Listed below are the maximum fees charged for advisory accounts managed by McDonald Partners:

Fixed Income Only Accounts

On the first $500,000	1.75% annually
On the next $550,000	1.25% annually
On the next $1,000,000	1.00% annually
Asset above $2,000,000	0.75% annually

Equity/Balanced Accounts

On the first $500,000	3.00% annually
On the next $550,000	2.50% annually
On the next $1,000,000	2.00% annually
Asset above $2,000,000	1.50% annually

Option Trades

$ 9.00 per trade + $0.50 per option contract (minimum $3.00)

ACCESS Accounts

$ 9.00 per trade transaction fee + 0.04% ($40 minimum) fee for performance reporting

Depending on specific circumstances, fees are subject to negotiation. McDonald Partners will not change any fees without prior written notice and acceptance of the client. The Financial Advisor's Fee is included in the total investment management fee charged by the Firm and is paid by the

Firm to the Financial Advisor.

For clients of the Goodman Financial Group/Goodman Wealth Advisors, the advisory fee on client assets invested in IPOs and secondaries is waived for a period of one year. The Financial Advisors that purchase IPOs and secondaries on behalf of client accounts receive a selling concession in their role as registered representative of McDonald Partners as broker-dealer.

For clients of CapTrust Financial Advisors that are invested in Michigan municipal tax-free bonds, CapTrust Financial Advisors have determined that it is cheaper for the client to purchase these securities in a brokerage account, where the Financial Advisor receives a commission on the trade, as opposed to placing the asset in the client's advisory account and charging a fee based on the client's assets under management. In the event the Client does not have a brokerage account with McDonald Partners, Michigan municipal tax-free bonds can be purchased in the client's advisory account and the advisory fee is not charged on those assets. The Financial Advisor will still receive a commission for the purchase or sale of the bonds.

The advisory fee on client assets invested in the Funds is waived until such time that the total dollar amount of advisory fees waived equals or exceeds the placement fee charged. The fees to be charged on these assets are based on the par value of the Funds and will not exceed the maximum advisory fees set forth in Item 5 Fees and Compensation.

Financial Planning Fees

Flat Fee determined by the Financial Advisor based on the complexity of the financial plan.

Account Termination and Fees

In the event of account termination of our services, you will only be charged for the days your account was under management. You may terminate this agreement with us at any time by written notice to us.

Account termination notices should be sent to McDonald Partners LLC, 1301 East 9th Street, Suite 3700, Cleveland, OH 44114 or by email to your Financial Advisor at his or her respective email address. The client can also terminate the Investment Management Agreement within five days of execution and receive a full refund of any fees charged under the program. However, in such case, the client will be responsible for fees and/or commissions charged on trades executed prior to the receipt of such notice by McDonald Partners.

Fees are computed and payable quarterly or monthly in arrears (unless you have negotiated a different payment arrangement) on the valuation of your assets under management on the last day of the quarter, depending on the agreement between the client and McDonald Partners. The value on the final day of the quarter, or month, as the case may be, is multiplied by the portion of your annual fee attributable to that month or quarter (calculated by dividing the annual fee by 365 days (or 366 days in a leap year) then multiplying the quotient by the number of days in the given month or quarter). Fees will automatically be deducted from your account on or about the 15th day following the end of each quarter or month, as the case may be, unless you have arranged for an alternative method of payment. The fee does not include certain dealer markups or markdowns, odd lot differentials, transfer taxes, exchange fees (among which SEC fees are included), and any other fees required by law. The valuation used to calculate the fee is provided by RBC CS for publicly traded securities.

Account Valuation Policy

When determining market value of an account for the purpose of calculating advisory fees, McDonald Partners' policy is as follows: For all publicly traded securities held in client accounts, the Firm relies on the daily prices received from the clients' custodians. For investments in private funds that are not managed by McDonald Partners or its affiliates, the Firm relies on the valuations provided by the issuer of the private fund. Depending on the type of private fund and the underlying investment, valuations can be reflected at cost until such time as the issuer provides an updated valuation. For the Funds, McDonald Partners values any non-publicly traded assets using its valuation policy.

For the Funds, McDonald Partners' affiliate, McDonald Management LLC, receives no compensation for its investment advisory services aside from reimbursement of its reasonable expenses. As previously discussed, McDonald Partners, in its capacity as a broker-dealer, received placement fees from investors in these Funds, with the exception of MPCF III. Any other fees received by McDonald Partners or its affiliates, including performance fees, are disclosed in the relevant offering documents for such Funds.

The account-level advisory fee on client assets invested in the Funds (at the client account level) is waived until such time that the total dollar amount of advisory fees waived equals or exceeds the placement fee charged. The fees to be charged on these assets are based on the fair value of the Funds determined in accordance with the Firm's valuation policy and will not exceed the maximum advisory fees set forth in the fee schedule above.

The Flex Program requires a minimum initial investment amount of $25,000, which is subject to negotiation, as determined by McDonald Partners. Small accounts under the Flex Program, known as ACCESS accounts, require a minimum initial investment amount of $5,000, which is subject to negotiation, as determined by McDonald Partners. ACCESS accounts also have a maximum account value of $50,000, which is subject to negotiation, as determined by McDonald Partners. Hegarty Asset Management requires a minimum initial investment amount of $250,000, which is subject to negotiation, as determined by Bill Hegarty, the portfolio manager. The minimum initial account value of $25,000 is required for participation in the RBC Advisors wrap program.

The Firm's investment management fees will be charged to most clients through the direct debit of fees from the qualified custodian, RBC CS. Each quarter, McDonald Partners will notify the client's qualified custodian of the amount of the fee due and payable to the Firm pursuant to the firm's fee schedule and the client's Investment Management Agreement. RBC CS will not validate or check the Firm's fees, its corresponding calculation, or the assets on which the fee is based unless the client has retained their services to do so. With the client's pre-approval, RBC CS will deduct the fee from the client's account or, if the client has more than one account, from the account the client has designated to pay McDonald Partners' fees. Each quarter, the client will receive a statement directly from the qualified custodian showing all transactions, positions, and credits/debits into or from the client's account. Statements sent will also reflect the fees paid by the client to McDonald Partners.

Mutual fund managers charge certain fees for their services and products. Those fees are in addition to the investment management fees paid to the Firm and are separate and distinct from the investment management fees charged by the Firm. These fees and expenses are described in the prospectuses for each mutual fund. Some mutual funds charge front-end or back-end loads (also known as initial or deferred sales charges), investment management fees, other fund expenses and distribution fees ("12b-1 fees").

Mutual funds provide for the payment of certain Rule 12b-1 and other similar asset-based charges ("12b-1" fee). Typically, all or a portion of the 12b-1 fee is paid by a mutual fund company to the Firm, as outlined in the applicable prospectus, potentially creating an incentive, and thus a conflict of interest, for the Firm or your Financial Advisor to recommend a mutual fund that will pay a 12b-1 fee as opposed to one that does not. We address this conflict of interest by (1) offering Advisor share class Mutual Fund positions for new purchases in client accounts (when available), and (2) crediting any 12b-1 fees that we receive related to a mutual fund held in an advisory account back to the client Account.

Many mutual fund companies offer advisory, institutional, or other share classes that do not have a sales load or assess 12b-1 fees. Many mutual funds offer multiple classes of shares which are available based on various eligibility requirements as dictated by the fund company. RBC CS or the Firm will decide which share classes to offer in the Firm's clients based on such eligibility requirements, the availability of share classes under the distribution agreements available to the Firm through RBC CS, and other considerations. In most cases, we recommend the lowest expense ratio share class offered by the fund company and available through RBC CS, but in some cases, we can choose to recommend a higher-cost share class. It should be noted that, in certain instances, certain share classes are not available to us through RBC CS and there may be a cheaper alternative available to you should you qualify for it and purchase it elsewhere.

Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Adviser to fully understand the total amount of fees to be paid and to thereby evaluate the Advisory services being provided.

Cash balances in client accounts are invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide administrative, distribution, and other services and for which we receive compensation for the services rendered. Clients who participate in a program may pay more or less for the services described in this brochure and the RBC CS Brochure than if they purchased such services separately.

McDonald Partners has a revenue sharing agreement with RBC CS whereby McDonald Partners receives a rebate based on McDonald Partners' monthly average daily balance in RBC Insured Deposit Accounts. McDonald Partners also receives payments from RBC CS based on the Firm's monthly average balance in the U.S. Government Money Market Fund. If, however, the U.S. Government Money Market Fund waives 50 basis points or more of its fees, then McDonald Partners will not receive any payments. The U.S. Government Money Market Fund is available for balances that exceed the FDIC insurance coverage limit.

Both of these arrangements calculate the payments to McDonald Partners using the Federal Funds rate. When that rate is zero, the Firm does not receive any payments. As of the date of this Brochure, McDonald Partners receives less than 5% of its revenue from these arrangements.

The RBC Insured Deposit Account and the U.S. Government Money Market Fund are cash sweep options for client accounts with assets of $5,000,000 or more. Clients can select from these and other sweep options when establishing their account at RBC CS.

Fees for Consulting Services

With respect to assets that are be held in a client's account or held away at another custodian but are not being managed by McDonald Partners, or for which McDonald Partners provides periodic consulting services, the Firm can charge a fee to hold the unmanaged assets on its platform and provide consolidated analytics and ongoing reporting for those assets. The fees charged for this service will be billed on a pro rata basis, quarterly, based on the value of the unmanaged assets within the clients' account(s) on the last day of the preceding quarter. The amount of such fees is negotiable and will be agreed-upon and documented in the written agreement between McDonald Partner and the client. Clients should understand that McDonald Partners' fees are in addition to fees charged by the custodian to hold the assets within the account(s).

Additional Information Regarding Investment Management Fees

McDonald Partners considers it appropriate and necessary for its clients to use the brokerage and execution services of McDonald Partners and RBC CS. In directing the use of RBC CS, clients should recognize that the Firm may not be able to obtain best execution for all transactions. In a prospective client's consideration of the investment management services described in this Brochure, prospective clients should be aware that the Flex Program may cost more or less than purchasing the actual services separately from other advisers or broker-dealers. The factors that should be considered by a prospective client include the size of a client's portfolio, the nature of the investments to be managed, commission costs, custodial expenses, if any, the anticipated level of trading activity and the amount of advisory fees only for managing the client portfolio.

As the advisory fees and commissions charged are negotiable, those fees and charges vary among clients based upon a number of factors, including the anticipated level of account activity, the size of the client's account, the types of investments, and the nature of related services provided, among other things.

When a client transfers asset into an account managed by McDonald Partners that includes Class A shares or other share classes that pay a 12b-1 fee, the Firm will rebate any 12b-1 fees back to the client's account. Without notice to you, the Firm may convert mutual funds in your investment management account to a lower cost share class offered by RBC CS in the event a lower expense share class is available at RBC CS. In cases where these non-advisory shares are subject to short term redemption fees or deferred sales charges, the share class conversion will not occur. Generally, the Firm does not charge a fee on these assets.

A Financial Advisor who recommends an investment advisory program to a client receives compensation as a result of the client's participation in that program. The amount of this compensation may be more, or less than what the Financial Advisor would receive if the client participated in other programs of McDonald Partners LLC or paid separately for investment advice, securities brokerage, and other services. Accordingly, in many cases, the Financial Advisor has a financial incentive to recommend one program over another program offered by McDonald PartnersLLC.

Some, or all, of a client's assets, will be invested in shares of investment companies for which McDonald Partners LLC does not provide investment advisory services ("Non-Affiliated Funds") and other investment vehicles. As a result, the client will pay two levels of advisory fees with respect to such assets — the advisory fees paid by the Non-Affiliated Fund or investment vehicle to the investment advisor of such fund or investment vehicle, and the fee paid to McDonald Partners LLC on the assets of the Account, which would include the assets invested in the Non-Affiliated Fund or investment vehicle.

Other costs that are assessed in addition to the inclusive fee are, among others, fees for securities transactions, if any, executed away from RBC CS, dealer mark-ups, mark-downs, electronic fund and wire transfers, spreads paid to market-makers and exchange fees. Clients who designate brokers other than RBC CS are subject to certain additional fees charged by such brokers.

Other Fees

Some Financial Advisors are agents for various insurance companies. As such, these individuals can receive separate, yet customary, commission compensation from the sale of insurance products for advisory clients. Clients, however, are not under any obligation to purchase these insurance products from these individuals when implementing advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Clients can purchase investments and insurance products through other advisers.

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

McDonald Partners does not charge performance-based fees except as disclosed in the offering documents for the private funds it, or its affiliates, advise. See item 4 for disclosure related to the private funds managed by McDonald Partners.

Many of our Financial Advisors also manage commission-based accounts for brokerage clients as registered representatives of the Broker-Dealer. The financial backgrounds, risk tolerance, and investment objectives for brokerage clients may be vastly different than those of advisory clients. As such, Financial Advisors can execute trades for brokerage clients that are in direct conflict to trades recommended for a client's advisory account. Additionally, clients' brokerage accounts will receive execution prices that may be higher or lower than an advisory client's execution prices.

Our Financial Advisors do not manage hedge funds, outside funds, or other products that cause conflicts of interest in relation to their fiduciary obligation to you as an Advisor.

Item 7 – Types of Clients

McDonald Partners provides investment advisory services for a variety of clients including individuals, pension, and profit-sharing trusts, foundations, charitable organizations, and other institutional clients. Upon request, we will furnish you a list of institutional clients who have authorized us to share their names.

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

Security analysis methods include fundamental analysis, technical analysis, and cyclical analysis.

Fundamental Analysis

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical and Cyclical Analysis

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. In cyclical analysis, a type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Technical and cyclical analyses do not consider the underlying financial condition of a company or market. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Mutual Fund and/or ETF Analysis

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

Risks for all Forms of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis is compromised by inaccurate or misleading information.

The main sources of information include financial periodicals, inspections of corporate activities, research materials prepared by others, corporate rating services, fund reporting services (such as Morningstar), timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Your personal investment strategy is based upon the risk and objectives you discuss with your Financial Advisor prior to investing and ongoing throughout the year. You may change your objectives at any time. Your investment strategy consists of asset allocation analysis, long-term purchasing, short-term purchasing, trading, short sales, margin transactions, and option trading strategies. It is important to update your Financial Advisor promptly when any of your personal and or financial situations change so that your goals and objectives can be updated accordingly.

Some of the Firm's Financial Advisors have established investment styles. As discussed in Item 4, Hegarty Asset Management provides a large capitalization discipline investing in a blend of both growth and value companies, referred to as "Core." The portfolio typically owns between 40-50 companies diversified among the eleven major sectors of the Standard & Poor's 500 Index. This index also represents the performance benchmark. Key "Core" portfolio characteristics include discounted valuation on a price-book, price-sales, and price-earnings basis. Companies in the portfolio have projected 3-5-year earnings, revenue, and dividend growth well above that projected for the market. The risk and volatility profile are moderate with a beta below that of the S&P 500 Index.

The Goodman Financial Group/Goodman Wealth Advisors ("Goodman Wealth Advisors") develops investment programs designed to help clients meet their individual investment goals. For clients that have investment goals of growth or growth and income, Goodman Wealth Advisors uses a combination of strategies including growth, growth & income, and fixed income strategies.

Growth & Income

Goodman Wealth Advisors growth and income portfolio has a dual strategy of seeking capital appreciation (growth) and current income generated through dividends or interest payments. The portfolio invests primarily in common stocks or large- and mid-cap companies and mutual funds. Goodman Wealth Advisors uses options, such as covered calls and puts, as part of this strategy.

Growth

Goodman Wealth Advisors' growth portfolio is a diversified portfolio of stocks that seeks capital appreciation as its primary goal. The portfolio invests in large and mid-cap companies with above-average growth that reinvest their earnings into expansion, acquisitions or research and development.

As part of the Growth strategy, Goodman Wealth Advisors may also invest client assets in initial public offerings ("IPOs") and secondary offerings, if appropriate, based on the client's investment objective and risk tolerance, among other factors. See Item 12, Brokerage Practices, for important disclosures regarding the availability of IPOs and secondaries.

The advisory fee on client assets invested in IPOs and secondaries is waived until such time that the total dollar amount of advisory fees waived equals or exceeds the placement fee charged.

Risks

There is no guarantee that an investment strategy will meet the intended objectives and all investments carry the risk of loss. Our approach to your investment strategy is to monitor your portfolio with the risk of loss in mind.

Depending on the types of securities you invest in, you may face the following risks:

Market Risk**:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Dividend Risk**:** For clients invested in income strategies, the Firm may not be able to identify attractive dividend-paying stocks. The income received by clients in income strategies will also fluctuate due to the dividend amounts changing based on what companies elect to pay.

Inflation Risk**:** When any type of inflation is present, a dollar today will not buy as much as adollar next year, because purchasing power is eroding at the rate of inflation.

Interest-rate Risk**:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Financial Risk**:** Excessive borrowing to finance a business' operations increases the risk of profitability 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.

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 (i.e., 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 of 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.

Cyclical Risk: The risk of business cycles or other economic cycles adversely affecting the returns of an investment, an asset class, or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles – periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

Liquidity Risk: When consistent with a client's investment objectives, guidelines, restrictions and risk tolerances, Advisor may invest portions of client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities. Limited Partnerships are relatively illiquid may require long waiting periods for investment return. Some may be subject to significantly less regulation than public investments.

Fixed Income Risks: Portfolios that investment in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in financial markets.

Equity Risks: The prices of equity investments fluctuate on a daily basis and at any given time. An investor has no assurance that they will be able to recoup their investment. Equity securities are subject to market risk, that is, as perceptions of a company's business prospects change, the actions of both buyers and sellers are affected. A dividend-paying stock may decrease or even cease to pay a dividend based on overall profitability. In the event of bankruptcy, common stockholders have a residual claim on company assets upon dissolutionand therefore are the final class of investor to receive payment on their initial investment.

Foreign and Emerging Markets Risk: Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection Public information may be limited with respect to foreign and emerging markets issuers; foreign and emerging markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to the U.S. companies. Brokerage commissions and other transaction costs on foreign and emerging markets securities exchanges are generally higher than in the U.S. Other foreign taxes could decrease the net return on foreign investments.

Small/Mid-Cap Risk: Stocks of small or small emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

Diversification Risk**:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

Options Risk**:** Options involve risks and are not suitable for everyone. Options trading can be speculative in nature and carry a substantial risk of loss, including the loss of principal.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk. Risks that are not specific to options trading include: market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks as stock options are a derivative of stocks.

High-Yield Risk**:** (sometimes called "Junk" Bonds) Investments in high-yielding, non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.

Municipal Securities Risk**:** The values of municipal securities may be adversely affected by local political and economic conditions and developments. Adverse conditions in an industry significant to a local economy could have a correspondingly adverse effect on the financial condition of local issuers. The amount of public information available about municipal bonds is generally less than for certain corporate equities or bonds, meaning that the investment performance of the securities may be more dependent on the analytical abilities of the Firm than investments in stock or other corporate investments.

"New Issues" Risk**:** "New issues" are IPOs of equity securities. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile or may decline shortly after the IPO.

Structured Products Risk**:** These products often involve a significant amount of risk and should only be offered to clients who have carefully read and considered the product's offering documents, as they are often based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.

Sociopolitical Risk: This involves risk related to political and social events such as a terrorist attack, war, pandemic, or elections that could impact financial markets. Such events, whether actual or anticipated, can affect investor attitudes and outlooks, resulting in system-wide fluctuations in stock prices.

Real Estate Investment Trusts (REITs): Investment in REITs are subject to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local or general economic condition, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses.

Public Health Risk: Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, has a negative impact on the economy, and business activity in any of the countries in which the Adviser may invest and thereby adversely affect the performance of the client account.

Item 9 – Disciplinary Information

On October 24, 2016, McDonald Partners paid a fine to the State of Arkansas for failure to register its Arkansas branch with the state and prevent unregistered sales agents from selling securities without registration. This fine was ordered by the state and has been paid and completed. The information was reported on the Firm's registration through CRD Form BD.

On February 23, 2018, McDonald Partners signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA related to violations of the Securities and Exchange Act ("SEA") Rule 10b-9 and FINRA Rule 2010 in connection with two securities offerings. Additionally, there was a violation of SEA 15c2-4 and MSRB Rule G-14. The Firm was censured and paid of fine of $50,000.

On February 26, 2019, McDonald Partners signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA relating to violations of MSRB Rule G-14 (failure to report municipal securities transactions to the MSRB's Real-Time Transaction Reporting system), Rule 15c3-1 of the Securities Exchange Act and FINRA Rule 2010 (conducting a securities business while failing to maintain its required minimum net capital), Rule 17a-3(a)(11) of the Securities Exchange Act, and FINRA Rules 4511 and 2010 (preparation of an inaccurate general ledger, trial ledger and net capital computation). FINRA imposed a censure and fined the Firm $22,500. The fine was paid in full on March 22, 2019, and all conditions have been satisfied.

On June 22, 2022, McDonald Partners signed a Letter of Acceptance, Waiver and Consent("AWC") with FINRA relating to violations of Rule 10B-9 of the Securities Exchange Act of 1934, Rule 15c3-1 of the Securities Exchange Act and FINRA Rules 4110(b)(1) and 2010 (conducting a securities business while failing to maintain its required minimum net capital), and FINRA Rules 3110 and 2010(failing to conduct reasonable due diligence). FINRA imposed a censure and fined the Firm $100,000 and ordered the firm pay $170,000 plus interest in partial restitution to clients.

For detailed information on the above, visit FINRA's Broker Check on FINRA.org web site.

On August 31, 2021, the Securities and Exchange Commission (SEC") entered into a settlement with McDonald Partners, LLC, resulting in the entry of on Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 15(b)(4) of the Securities Exchange Act of 1934, and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order").

The proceedings arose out of McDonald Partners LLC role as placement agent for securities offered by two private investment vehicles ("PIVs") advised by an affiliate of McDonald Partners. Between September 2013 and through January 2017, McDonald Partners sold more than $14 million in securities issued by the PIVs to investors, including its brokerage customers and its advisory clients. In October 2016, McDonald Partners became aware of allegations that its point person at the Montenegrin entity had misappropriated $488,331 of investor funds. After being confronted, the individual agreed to repay approximately $335,000. McDonald Partners did not disclose the misappropriation to existing investors and raised approximately $1.5 million in additional funds from existing and new investors in early 2017. McDonald Partners was found to have violated: (1) Sections 17(a)(2) and 17(a)(3) of the Securities Act, which prohibit fraudulent conduct in the offer or sale of securities; and (2) Sections 206(2) and 206(4) of the Advisers Act, and Rule 206(4)-8 thereunder, which prohibit fraudulent or deceptive conduct with respect to clients and investors.

Additionally, McDonald Partners failed to provide investors with audited financial statements or to retain an independent public accountant to conduct surprise examinations of the books of those entities for four years. By this conduct, respondent willfully violated Sections 17(a)(2) and (3) of the Securities Act and Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-2 and206(4)-8 thereunder.

McDonald Partners agreed to pay disgorgement of $37,031.25, prejudgment interest of $7,651.86 and civil penalties of $150,000 to the SEC. McDonald Partners also agreed to engage a consultant for at least two years to provide advice and direction with respect to the drafting and performance of policies and procedures to ensure compliance with Rule 206(4)-2 (the "Custody Rule").

Item 10 – Other Financial Industry Activities and Affiliations

Broker-Dealer Registration and Registered Representatives

McDonald Partners is a registered broker-dealer, member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). McDonald Partners is also an investment adviser registered under the Investment Advisers Act of 1940, as amended, and is registered with the U.S. Securities and Exchange Commission.

Certain of the executive officers, Financial Advisors and other employees of McDonald Partners are separately licensed as registered representatives of McDonald Partners. These individuals, in their separate capacity, can affect securities transactions for which they or the broker-dealer receive separate, yet customary compensation.

While McDonald Partners 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.

McDonald Partners serves as General Partner to seven private investment companies through a wholly owned affiliate. These private investment companies include MP DPI LLC, MPCF LLC, MPCF II LLC, MPCF III LLC, MP127 LLC, Eden Rock Montenegro LLC and ERM Resort LLC (the “Funds”). Investors in these partnerships paid placement or other fees to McDonald Partners. These fees were determined prior to investment and disclosed in the private placement memorandum. General partners or other related persons can be compensated in other ways in connection with the partnerships. McDonald Partners and its affiliates can receive investment management fees and performance fees as disclosed in the offering documents for the Funds. These Funds do become billable asset for investment advisory fees, but only after the investment has been held one year for every commission percentage the client paid.

Some of the Firm’s Financial Advisors, employees, and their spouses currently have invested in the Funds managed by McDonald Partners. As of March 30, 2022, the total investment of these individuals is less than five percent of the total value of the Funds.

MP DPI LLC, one of the Funds managed by a McDonald Partners affiliate, invests in the common stock of Diasome Pharmaceuticals Inc. (“Diasome”). Thomas McDonald, Non-Executive Chairman and Owner of McDonald Partners is a Diasome Board Member. Mr. McDonald and Kerry Watterson, a Financial Advisor with McDonald Partners, and former Diasome Board Observer, received warrants in consideration for their respective roles with the Diasome Board of Directors. Mr. McDonald is also the president of MP DPI, LLC and Mr. Watterson is Vice President. Mr. Watterson is also an investor in MP DPI, LLC.

Thomas McDonald, manager of the affiliated entity that manages the Funds, McDonald Management LLC, also serves as President of MPCF LLC, MPCF II LLC, and MPCF III LLC. MPCF LLC, MPCF II LLC, and MPCF III LLC invest in Caymus Funding Inc. Mr. McDonald has been granted common stock in the portfolio company, Caymus Funding Inc., under a service agreement for his role on the Board of Directors of Caymus Funding Inc. Tim Norton, a Financial Advisor with the Firm, has also been granted common stock in Caymus Funding, Inc. for serving on its Board of Directors.

Futures and Commodity Registration

McDonald Partners is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

Licensed Insurance Producers

Some of McDonald Partners' Financial Advisors, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While McDonald Partners does not sell such insurance products to its clients, McDonald Partners does permit its Financial Advisors, in their individual capacities as licensed insurance agents, to sell insurance products to their clients. A conflict of interest exists to the extent that a Financial Adviser recommends the purchase of insurance products where that Financial Adviser receives insurance commissions or other additional compensation.

Jaqueline M. Hummel – Chief Compliance Officer

Jaqueline M. Hummel is the Chief Compliance Officer for McDonald Partners LLC for its investment advisory business. She is a securities attorney and is licensed to practice law in Ohio and Massachusetts. Ms. Hummel is a Senior Principal Consultant at ACA Group, a firm specializing in providing regulatory compliance consulting services to registered investment advisers, broker-dealers, investment companies and private funds.

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

The Code of Ethics is based on the principle that McDonald Partners, its Financial Advisors and its employees owe a fiduciary duty to its clients and a duty to comply with federal and state securities laws and all other applicable laws. These duties include the obligation of Access Persons to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise to take unfair advantage of their relationship with clients. In certain circumstances, our employees are permitted to purchase and sell for themselves securities identical to those they recommend to you. Your Financial Advisor may also trade in a security for his or her own account that is directly opposite of the advice recommended to you. There is an inherent conflict of interest between our fiduciary duty to obtain best execution for our clients and the apparent self-interest of employees trading in the same securities contemporaneously. When trading for themselves, Financial Advisors must comply with all fiduciary provisions outlined in the McDonald Partners Code of Ethics.

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 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.

McDonald Partners' 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 cannot 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 can request a copy by email sent to compliance department at compliance@mcondald-partners.com or by calling us at 866-899-2997.

Other Conflicts of Interest

The Firm has business relationships with some clients in the ordinary course of its business. These clients provide the Firm with products and services on the same terms as offered to other members of the public, and McDonald Partners provides its services to these clients on the same terms as other clients who are similarly situated.

One of the Firm's Financial Advisors owns the building where his office is located and shares office space with another company that is run by a relative of that Financial Advisor. The compliance team reviewed the arrangement and determined that there were sufficient physical barriers between the two businesses and procedural safeguards to avoid the other company's employees from having access to any confidential Firm or client information.

Item 12 – Brokerage Practices

McDonald Partners is dually registered as a broker-dealer and executes trades on behalf of our Clients through our clearing firm, RBC CS, electronically and therefore we do not direct trades to other brokerages for compensation, research, etc. We will accommodate special client request on broker selection, although McDonald Partners reserves the right to reject or limit certain instructions.

Some McDonald Partners Financial Advisors are also registered representatives of McDonald Partners in its capacity as a broker-dealer and are required to use the services of McDonald Partners and RBC CS, its approved clearing broker-dealer when buying or selling commission-based securities products. All brokerage accounts established through McDonald Partners will be cleared and held at RBC CS, which acts as the qualified custodian. Financial Advisors, acting as registered representatives, receive a portion of the commission RBC CS receives as a commission for executing trades. This is a conflict of interest since Financial Advisors can receive more money by executing more transactions.

To mitigate this conflict when acting as an investment adviser, McDonald Partners offers a Flex account to its advisory clients. This account offers advisory services along with transaction, clearing, and custodial services for one fee based on the assets under management, and is considered a wrap-fee program. This is different from non-wrap-fee management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis.

You should understand that not all investment advisers require the use of a particular broker-dealer or the use of a broker-dealer that is affiliated with the investment adviser. Our decision to require the use of McDonald Partners is based on the Firm's decision that we can provide efficient and cost-effective services through our own broker-dealer. However, the use of McDonald

Partners as broker-dealer for our advisory clients is an inherent conflict of interest between the Firm and our clients because requiring our clients to use McDonald Partners as the broker-dealer allows McDonald Partners, in its capacity as introducing broker-dealer, to retain brokerage revenue that would otherwise be retained by an unaffiliated broker-dealer.

The requirement to use RBC CS (which is not affiliated with McDonald Partners) is based on the fact that McDonald Partners has established a clearing agreement with RBC CS, as its preferred clearing broker-dealer and qualified custodian. The decision to use RBC CS is based on a comparison of RBC CS against other broker-dealers (including past experiences we have had with other broker/dealers) and is aimed at minimizing brokerage expenses and other costs while taking into account the offerings or services RBC CS provides that McDonald Partners or clients require or find valuable.

There are some investment advisers that permit the use of multiple broker-dealers and permit clients to select the broker-dealer. McDonald Partners considered the positive factors to this approach which include the ability to negotiate better brokerage costs such as transaction fees, the ability to better analyze the speed of execution, and the ability to compare and negotiate services. However, McDonald Partners has determined that the use of one brokerage platform (McDonald Partners and RBC CS) allows us to provide more streamlined operational and trading services. We consider the fact that allowing multiple brokerage arrangements would increase the need for additional internal staff and technology which increases the overall fees we charge. By selecting one brokerage platform, McDonald Partners can avoid additional compliance, recordkeeping, staffing, and technological costs that are associated with implementing procedures designed to work with multiple brokerage platforms. Based on McDonald Partners' structure and capacities, the Firm concluded that requiring one brokerage platform is a better policy than permitting multiple brokerage arrangements, including client-directed brokerage arrangements.

If McDonald Partners decides to permit other brokerage arrangements in the future, all clients will be made aware of the change in policy. Commission and fee structures of various broker-dealers, along with services, research, and tools are periodically reviewed by McDonald Partners to evaluate the overall execution services provided by McDonald Partners and RBC CS. Accordingly, McDonald Partners will consider competitive rates; it may not necessarily obtain the lowest possible commission and brokerage rates for your account transactions. Therefore, the overall services provided by McDonald Partners (in its capacity as an introducing broker) and RBC CS are evaluated to determine the level of best execution provided to our clients. However, considering McDonald Partners requires use of the brokerage services of McDonald Partners and RBC CS, we may not be able to achieve the most favorable execution of client transactions, and therefore our practice of requiring the use of McDonald Partners and RBC CS may cost you more money compared to advisory programs offered by other investment advisers.

While you may be able to attain brokerage services with lower costs and expenses, you should be aware of some of the qualitative factors we consider in selecting McDonald Partners and RBC CS. These factors include, but are not necessarily limited to, the following:

- We are able to rely on the internal staff of McDonald Partners to provide supervision, operations, trading, and other services.

- The RBC CS back-office system generates exception reports designed to monitor all aspects of brokerage accounts, including trading, money movement, transfers, and client account data. Client paperwork is processed through a secure electronic workflow and storage system.

- RBC CS electronic trading platform provides a real-time order matching system, the ability to "block" client trades, and account balance and position information.

- Clients can access their account information over the internet, including balances, transactions, positions, statements, confirmations, and tax documents.

- Advisory fees can be calculated on aggregated account balances and are debited directly from client accounts.

Soft Dollar Arrangements

McDonald Partners does not engage in soft dollar benefits for any research products or services.

Brokerage for Client Referrals

The Firm does not recommend broker-dealers to clients based on our interest in receiving client referrals.

Directed Brokerage

The Firm does not permit clients to direct brokerage.

Municipal Securities Trading

The Firm may use its discretionary authority to purchase municipal securities for client accounts. In some situations, the Firm may select an unrelated broker-dealer to execute such trades. The Firm generally uses specific broker-dealers for Michigan municipal fixed income securities. The Firm has long-standing relationships with these broker-dealers, and these firms typically have the inventory to meet the needs of clients who are Michigan residents. Selection of brokers-dealers for execution of other fixed income transactions is typically done by obtaining live real-time competitive bids and offers from at least three primary dealers (where practical) via the electronic trading platform TradeWeb, or another electronic trading platform, where we will award the trade to the broker- dealer offering best execution.

For executing client transactions in securities that are not traded on TradeWeb, we will search for attractive offerings or bids on broker-dealer inventory screens or by phone in an effort to ensure competitive price executions, selecting such broker-dealers based on our knowledge of which broker-dealers most actively make a market in the type of issues we are looking to trade.

Cross Transactions

Generally, the majority of trades made for McDonald Partners' client accounts will be executed through the open market.

We may engage in cross trading under limited circumstances. We will only do so when we can ensure that no client receives less favorable terms. Under such circumstances, we will receive no transaction-based compensation from the trade, and we will only proceed when we reasonably believe that best execution can be achieved. We do not enter into cross transactions involving ERISA Accounts.

Trade Aggregation

Trading aggregation practices are such that when McDonald Partners trade the same security in more than one client account, we generally attempt to batch or "bunch" trades to create a "block transaction." Generally buying and selling in blocks helps create trading efficiencies, prompt attention, and desired price execution. Whenever possible, we will attempt to batch or aggregate trades for clients to create a "block transaction." Your Financial Advisor may also aggregate his or her own trades in the same security with those of his or her clients, provided the Financial Advisor never receives preferential treatment in the trade execution.

Trade Errors

McDonald Partners takes great care when placing trades; nevertheless, trade errors can occur due to miscommunication with brokers or other system or human errors. The Firm's policy is to correct errors as soon as they are discovered. The Firm maintains a trade error account at the Firm's clearing broker-dealer in the name of the Firm and utilizes such account to correct the trade error in the following manner:

- When a security is erroneously bought or sold in a client's account, the trade will be moved to the error account and corrected.
- The client will be made whole in his/her/its account
- The Firm error account will be used solely for the correction of errors; and
- Gains and losses will be netted in the error account. A negative balance in the error account will be the Firm's responsibility to cover.

Mutual Funds Share Class Selection

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), the fund may also offer institutional share classes that usually have a lower expense ratio than the retail share classes.

When recommending investments in mutual funds, it is the Firm's policy to review and consider all available share classes. The Firm's policy is to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the appropriate factors the Firm may recommend a share class other than the 'lowest cost' share class. Clients may be able to obtain lower cost share classes than those selected by the Firm. In light of its duty to obtain best execution, McDonald Partners conducts monitoring of mutual fund investments to ensure the selection of the most appropriate share class.

Initial Public Offerings (IPOs) & Secondary Offerings

With few exceptions, only the Goodman Financial Group's Financial Advisors have access to IPOs and secondary offerings for advisory clients. Clients with a desire to participate in IPOs and secondary offerings should discuss with their Financial Advisor to determine whether such investments are appropriate and available. Not all clients will be eligible to participate in IPOs. A client account must meet the following conditions:

- McDonald Partners has concluded that the client of the account can accept the increased risk associated with IPOs;
- The client has requested to participate in IPOs when available;
- The client represents in writing that he or she is not a restricted person under FINRA's Freeriding and Withholding interpretations.

McDonald Partners will also consider the following factors in determining how to allocate shares of an IPO:

- The number of shares available in the IPO for allocation to McDonald Partner's retail customers.
- The stated interest of a particular client in participating in IPOs, in general, or in a particular IPO, including the number of shares requested.
- The suitability of the investment for the client, particularly if it is speculative in nature, as is sometimes the case in IPOs.
- Whether the IPO investment would be consistent with the client's investment strategy and objectives.
- Any applicable tax considerations.
- Whether the client has adequate liquidity in the account, or a reasonably available alternative, to fund the IPO investment.
- Whether Financial Advisor is able to contact the customer on a timely basis and obtain any documentation necessary to participate in the offering.

IPOs are typically riskier investments and not suitable for clients with conservative investment goals. IPO underwriters, in our experience, avoid allocating shares to smaller retail accounts, since this increases their costs and administrative burdens. All of these factors lead to a conflict of interest among clients.

The Firm's Financial Advisors receive a selling concession when purchasing new issue securities and secondary offerings for client accounts. The selling concession is a separate payment made directly from the issuer of the security to the Financial Advisor as additional compensation.

The advisory fee on client assets invested in the IPOs and secondaries is waived until such time that the total dollar amount of advisory fees waived equals or exceeds the selling concession received by the Firm.

Item 13 – Review of Accounts

McDonald Partners monitors client accounts as part of an ongoing process while regular account reviews with clients are conducted on at least an annual basis. Client accounts are reviewed periodically for investment objective, financial plan adherence and overall asset allocation by the Financial Advisor associated with the account. All account trades are reviewed daily by compliance personnel for any red flags in conjunction with the above and if any discrepancies are noted they are discussed with the associated Financial Advisor on the account.

Performance reports are sent out annually (at a minimum) to advisory clients that participate in Flex account program or Hegarty Asset Management accounts. These reports are sent directly from the home office or by the Financial Advisor either in person or by the US mail. Some clients will receive the reports electronically if they so indicate.

At least annually, we will request in writing that you update your Financial Advisor with any changes to your financial status, investment objectives, risk tolerance or other important information.

You will receive statements directly from your custodian monthly. These statements include details of your trades, account balances, dividends, contributions, and withdrawals. You should always check to ensure that the reports you receive from your custodian are consistent with the reports you receive from McDonald Partners. You should contact the compliance department at compliance@mcdonald-partners.com or 866-899-2997 immediately if you notice major inconsistencies in your reports or if you do not receive your reports and statements.

Item 14 – Client Referrals and Other Compensation

McDonald Partners and our Financial Advisors receive client referrals which come from current clients, our attorneys, employees, accountants, and personal relationships. Currently the Firm does not compensate for referrals.

McDonald Partners has a revenue sharing agreement with RBC CS whereby McDonald Partners receives a rebate based on McDonald Partners' monthly average daily balance in RBC Insured Deposit Accounts. McDonald Partners also receives payments from RBC CS based on the Firms monthly average balance in the U.S. Government Money Market Fund. If, however, the U.S. Government Money Market Fund waives 50 basis points or more of its fees, then McDonald

Partners will not receive any payments. The U.S. Government Money Market Fund is available for balances that exceed the FDIC insurance coverage limit. Both of these arrangements calculate the payments to McDonald Partners using the Federal Funds rate. When that rate is zero, the Firm does not receive any payments. As of the date of this Brochure, McDonald Partners receives less than 5% of its revenue from these arrangements.

The RBC Insured Deposit Account and the U.S. Government Money Market Fund are cash sweep options for client accounts with assets of $5,000,000 or more. Clients can select from these and other sweep options when establishing their account at RBC CS.

Your Financial Advisor receives a selling concession when purchasing new issue securities for your account. The selling concession is a separate payment made directly from the issuer of the security to the Financial Advisor as additional compensation. This payment is not added or related to the advisory fee you pay.

Many mutual funds pay registered representatives of broker-dealers 12b-1 fees, which are additional fees charged by mutual funds for promotion, distributions and/or marketing expenses of the fund's shares. Any 12b-1 fees received by McDonald Partners are rebated back to the client account.

Periodically mutual fund companies help the Firm pay for client functions and defray the cost of Firm meetings. Although these expenses are paid to the service providers in connection with these activities, a conflict of interest exists for McDonald Partners in the selection and recommendation of the mutual funds from the fund companies that sponsor these events. For more information, ask your Financial Advisor which product sponsors, if any, helped pay for client functions.

McDonald Partners has a referral agreement with a broker-dealer that provides investment banking services. The broker-dealer agrees to pay a portion of its fee to the Firm for a referral that results in an engagement to provide investment banking services.

McDonald Partners has a referral agreement with Insure One Benefits (an Oswald company). The agreement allows McDonald Financial Advisors to refer clients seeking assistance in navigating Medicare, Medicare Supplement Insurance, as well as individual health insurance policies. Financial Advisors are not required to refer clients to Insure One Benefits but are paid $75 for each successful lead.

Item 15 – Custody

McDonald Partners does not maintain custody of client funds or securities except to the extent that pursuant to the client authorizing the Firm to debit the client's account for the amount of McDonald Partners' investment management fee and to directly remit that fee to McDonald Partners in accordance with applicable custody rules.

Unless otherwise directed by a client, all assets are held at RBC CS, an independent qualified custodian. RBC CS holds all client assets and provides account statements directly to clients at their address of record at least quarterly. In cases where assets are custodied at a custodian other than RBC CS, clients will receive account statements directly from that custodian. McDonald Partners utilizes Equity Institutional, Millennium Trust, and New Direction Trust Company as a qualified custodian for IRA assets which are alternative in nature. Equity Institutional, Millennium Trust, and New Direction Trust Company provide account statements directly to clients at their address of record at least quarterly.

McDonald Partners maintains custody of privately offered securities as defined in the Custody Rule as a pooled investment vehicle subject to a financial statement audit or surprise audit to comply with the Custody Rule.

Generally, McDonald Partners' Financial Advisors do not engage as Trustee or have Power of Attorney for their client accounts, although some exceptions are made for certain personal or family relationships and with the prior written approval of Compliance.

Item 16 – Investment Discretion

McDonald Partners manages securities accounts on behalf of its clients when given proper authority. Authority is given to a registered adviser by means of a client contract or limited power of attorney. Client limitations are based on the specific goals and objectives of each individual client as referenced in "Advisory Business" section of this brochure.

Item 17 – Voting Client Securities

As a registered investment adviser, McDonald Partners has made the determination that it will not vote customer proxies or outsource voting to a third-party proxy voting service. This means that each client is responsible for making their own proxy voting decisions for the securities in their account(s).

Clients wishing additional information regarding proxy voting may contact their investment adviser representative or submit a request in writing to Compliance Department at McDonald Partners LLC, 1301 East 9th Street, Suite 3700, Cleveland, OH 44114 (requests may also be submitted via email to compliance@mcdonald-partners.com).

Item 18 – Financial Information

McDonald Partners does not solicit prepayment of more than $1200 in fees, per client, six months or more in advance. McDonald Partners has not been the subject of a bankruptcy petition at any time during the past ten years.