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BROKER-DEALER DISCLOSURE

March 5, 2024

This disclosure provides information about the business practices, compensation and conflicts of interest related to the broker-dealer business of McDonald Partners, LLC. If you have questions about the contents of this disclosure, please contact us at 866-899-2997 or you may email us at compliance@mcdonald-partners.com. Additional information about McDonald Partners, LLC and its financial professionals is available on FINRA's website at http://brokercheck.finra.org/.

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Item 1 Introduction

Founded by Thomas McDonald in 2005, McDonald Partners, LLC (referred to as “we”, “us”, “the Firm”, or “McDonald Partners”) is a dually-registered investment adviser and broker-dealer headquartered in Cleveland, Ohio with offices in Northern Ohio and Michigan. McDonald Partners is a broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). McDonald Partners is also registered as an investment adviser with the SEC.

McDonald Partners maintains a network of financial professionals, who offer brokerage services, investment advisory services, or both, depending on their licenses. The financial professionals that are investment adviser representatives (IARs) of McDonald Partners are also referred to as “financial advisors” or “advisors.” Most of the Firm’s financial professionals offer both brokerage and investment advisory services, with the exception of the team in our Beachwood, OH office that only offers brokerage services. Those individuals in Beachwood are referred to as “registered representatives”. This disclosure will use the term “financial professionals” to include our Financial Advisors and our Registered Representatives. This disclosure focuses on important information regarding these financial professionals and their services with McDonald Partners’ broker-dealer.

Most of our client accounts are held with RBC Correspondent Services (“RBC CS”), our clearing firm. RBC CS provides custodial services, settles trades, handles cashiering functions, provides account statements and all other behind-the-scene services necessary to execute account/investment transactions.

This disclosure contains information about the business practices, compensation, and conflicts of interest related to the brokerage business of McDonald Partners. Additional information about McDonald Partners and its financial professionals is available on FINRA’s website at http://brokercheck.finra.org. Information related to our advisory practices can be found in our Form ADV at https://www.mcdonald-partners.com.

Item 2 Capacity and Restrictions on Recommendations

Capacity: brokerage and advisory services

As a McDonald Partners client, you receive a broad scope of services whether we serve you as a broker-dealer, investment advisor or both. While there are similarities between the brokerage and advisory services we provide, there are important differences, including the pricing structures for these services and the provision of ongoing monitoring of accounts.

Brokerage relationships generate transaction-based compensation. In brokerage relationships, investors pay transaction-based fees in connection with the products and services they receive, such as buying and selling stocks, bonds, mutual funds, annuity contracts and other investment products. These include commissions, transaction fees, loads and sales charges. Compensation to McDonald Partners includes these commissions, transaction fees, trail commissions, loads and sales charges that are embedded in the purchase price.

In a brokerage account, your total costs generally increase or decrease as a result of the frequency of transactions in the account and the type of securities you purchase. This presents a conflict in that the more you trade or invest, the more revenue we can generate from your account. When handling your brokerage account, we are obligated to ensure that our recommendations are in your best interest.

> **No Ongoing Monitoring in Brokerage Accounts**: In brokerage accounts, our financial professionals do not provide ongoing monitoring of your account after the recommendation. Our best interest obligation to you applies only at the time of the recommendation. If you desire to have your account monitored on an ongoing basis, ask your financial professional about establishing an advisory account relationship.

Advisory relationships have fee-based compensation. In advisory relationships, clients pay a set fee, or a fee based on a percentage of the assets in the account according to an investment advisory program agreement. In some circumstances, McDonald Partners and our Financial Advisors may receive additional compensation from third parties in connection with the assets in clients' advisory accounts. This compensation is in addition to the fee that a client pays for investment advisory services.

> **Ongoing Monitoring in Advisory Accounts**: When handling an investment advisory account, your financial professional will act as a fiduciary to you. Advisory services are provided pursuant to a written agreement with you. In an advisory relationship, we do provide ongoing monitoring of your account in accordance with the terms of that written agreement.

For more information about McDonald Partners and the services financial professionals provide when they act as IARs, please see McDonald Partners' Form ADV disclosure brochures available at https://mcdonald-partners.com. This disclosure discusses important information regarding financial professionals who act as registered representatives of McDonald Partners' broker-dealer.

Limitations on Investment Recommendations

Most of our financial professionals offer both brokerage and investment advisory services, while a few offer only brokerage services. When you are discussing services with a financial professional, you should ask in what capacity the financial professional is acting or will be acting – as a broker-dealer registered representative only or also as an IAR – when providing services to you. You should also ask if there are limitations on the products or services a financial professional may offer by virtue of any of the following:

> **Investment Product Limits:** There are literally thousands of investment products on the market and McDonald Partners does not offer all of them for sale to clients. McDonald Partners and financial professionals offer/recommend investment products only from investment sponsors with whom McDonald Partners has entered into selling and distribution agreements. Other firms may offer products and services not available

through McDonald Partners, which presents a conflict since you are not able to purchase those products or services through McDonald Partners. We disclose this conflict to you and mitigate it by maintaining a robust offering of products and services.

Preferred Clearing Firm: There are some firms that permit the use of multiple broker-dealers and clearing firms and allow clients to select from those options. McDonald Partners considered the positive factors to this approach, which include 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. McDonald Partners has established a clearing agreement with RBC CS to act as its preferred clearing broker-dealer and qualified custodian. The requirement to use RBC CS (which is not affiliated with McDonald Partners) is based on a comparison of RBC CS against 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. In limited circumstances we may accommodate special client requests on an outside broker-dealer selection, although McDonald Partners reserves the right to reject or restrict certain instructions.

Restrictions Based on Licensing: A financial professional's ability to offer individual products and services depends on his/her licensing, training or branch office policy restrictions. For example, a financial professional maintaining a Series 6, Series 63 and Life Insurance Agent license is limited to providing investment company securities, such as mutual funds, UITs, and variable annuity contracts. A financial professional maintaining a Series 7, Series 63 and Life Insurance Agent license is able to provide solutions including all securities available for sale by a Series 6 representative as well as individual stocks, bonds, and alternative investments, among others. As another example, a financial professional may only be licensed to provide brokerage services, and not advisory services, or vice versa. To provide investment advisory services, a financial professional is often required to be registered as an IAR with the state in which he/she has a place of business.

You should ask your financial professional about the securities or services he/she is licensed or qualified to sell, and his/her ability to service investments that you transfer to McDonald Partners from another firm. You should also review the licenses held by your financial professional by visiting the FINRA BrokerCheck system at http://brokercheck.finra.org. Licensing presents a conflict in that individuals have an incentive to offer you products or services that correspond to their licensing. We disclose this conflict to you and mitigate it by reviewing recommendations made to you by our financial professionals to ensure these recommendations are in your best interest.

Minimum Investment Amounts: Some products may impose a minimum investment amount, which precludes purchases under that amount. Purchase minimums can vary by issuer, but they are common in mutual funds (typically between $250 - $1000), annuities (typically $5,000 – 10,000), and alternative investments (typically between $2,500 -

$5,000). Ask your financial professional or refer to the official product offering document if there are minimum purchase amounts applicable to the investment product you are considering.

Item 3 Firm Revenue: Commissions, Fees and Third-Party Compensation

We earn revenue primarily from clients. We also earn revenue from product sponsors and money managers ("third parties") who assist us in providing the investments and services that we offer to you.

A. Revenue from Clients

Our brokerage revenue from clients includes:

1. **Commissions**: We receive Commissions you pay when you buy or sell equities and fixed-income investments (this applies when we act as "agent" or "broker"). We share this revenue with your financial professional.

2. **Markups and markdowns**: We receive revenue from markups and markdowns on your price when you buy or sell securities "as principal." We share this revenue with your financial professional.

3. **Sales loads**: Sales loads (sales charges), commissions or concessions derived from the offering and sale of various managed investments such as mutual funds, unit investment trusts, insurance and annuities. A commission, or sales load, is typically paid at the time of the sale and can reduce the amount available to invest. For more information about other commissions that apply to a particular transaction, please refer to the applicable product disclosure form, investment prospectus, or offering document. We share this revenue with your financial professional.

B. Revenue from Third Parties

Our revenue from third parties includes:

1. **Trail Compensation and/or 12b-1 Fees:** Payments from mutual fund and insurance companies in the form of distribution and/or service fees (12b-1 fees), trail commissions or renewal commissions, which are fully described in the applicable prospectus or offering document. Trails are typically paid from the assets of the investment product and the amount is calculated as an annual percentage of assets invested by McDonald Partners customers. The more assets you invest in the product, the more trails we earn. Therefore, we have an incentive to encourage you to increase the size of your investment. The percentage of assets received varies by product, which creates an incentive to recommend products paying higher trails. We share this revenue with your financial professional. This creates a conflict for your financial professional to recommend funds paying higher trail compensation. We manage this conflict by disclosing it to you.

    - **Mutual Funds and 529s:** The ongoing 12b-1 trail payment depends on the class of shares but is typically between 0.25% and 1% of assets annually.

- **Annuities**: McDonald Partners receives a trail payment from an annuity issuer for the promotion, sale and servicing of a policy. The amount and timing of trail payments vary depending on the agreement between McDonald Partners and the issuer, and the type of policy purchased. The maximum trail payment for annuities is typically 1.5%.
- **Alternative Investments**: For alternative investment products, such as private funds, trail payments may be as high as 1.25% on an annual basis

2. **Revenue Sharing Payments:** We receive payments known as revenue sharing from certain product partners. Our receipt of revenue sharing payments creates a potential conflict of interest in that we have an incentive to offer products from product partners that pay us revenue sharing. There is also a conflict in that McDonald Partners receives more revenue for certain product types than others. We address these conflicts by disclosing them to you and by not sharing any of the payments with our financial professionals, who are free to offer various product types, as well as products from firms that do, or do not, pay revenue sharing to McDonald Partners.

    - **Alternative Investment Sponsors**: McDonald Partners offers alternative investment products, when appropriate, including non-traded REITs, limited partnerships, and 1031 exchanges. While the revenue sharing agreements with each alternative investment company vary, we may receive up to 6% of the gross amount of sale for these products. McDonald Partners also receives flat annual payments at the discretion of certain fund sponsors as support for McDonald Partners' product marketing and the education and training efforts for financial professionals in connection with the sale of their products.

3. **Revenue from RBC CS**:

    Cash Sweep
    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.

4. **Non-Cash Compensation**
   Periodically, investment sponsors help the Firm 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 investments from the investment sponsor that participate in funding these events. McDonald Partners mitigates that conflict by not participating in any investment sponsored sales contests.

Item 4 Financial Professional Compensation

McDonald Partners generally compensates financial professionals as employees. However, some financial professionals are compensated as independent contractors. Described below are the compensation and other benefits that financial professionals receive from McDonald Partners.

Cash Compensation: McDonald Partners pays a financial professional a percentage of the revenue he/she generates from sales of products and services. That percentage may increase based on revenue generated. When compensation is based on the level of production or assets, the financial professional has a financial incentive to meet those production levels.

McDonald Partners and financial professionals can offer various types of advisory and brokerage programs, platforms and services, and earn differing types and amounts of compensation depending on the type of service, program or platform in which you participate. This variation in compensation can incentivize a financial professional to recommend services, programs or platforms that generate more compensation for McDonald Partners and the financial professional than others. For example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your financial professional than an advisory account that generates compensation in the form of investment advisory fees.

Trail Compensation and/or 12b-1 Fees: As discussed above under the Firm Compensation section, the firm receives, and shares with financial professionals, payments from mutual fund and insurance companies in the form of distribution and/or service fees (12b-1 fees), trail commissions or renewal commissions, which are fully described in the applicable prospectus or offering document. Trails are typically paid from the assets of the investment product and the amount is calculated as an annual percentage of assets invested by McDonald Partners' customers. The more assets you invest in the product, the more trails we earn. Therefore, we have an incentive to encourage you to increase the size of your investment. The dollar amount of trails received varies by product, which creates an incentive to recommend products paying higher trails. This creates a conflict for your financial professional to recommend funds paying higher trail compensation. We manage this conflict by disclosing it to you.

Noncash Compensation: Third-party providers may also give financial professionals gifts up to a total value of $100 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial professionals with meals and entertainment of reasonable value or reimbursement in connection with educational meetings, customer workshops or events, or marketing/advertising initiatives. We want you to understand that this creates a potential conflict of interest to the extent that this may cause financial professionals to prefer those Product Partners that provide these noncash incentives. We address these conflicts of interest by maintaining policies and procedures regarding the sale and supervision of the products and services we offer to you, and by disclosing our practices to ensure you make a fully informed decision.

Financial Professional's Outside Business Activities (OBAs): Financial professionals may be permitted to engage in certain OBAs if McDonald Partners has approved them, and it does not conflict with our own products and services. Your financial professional may receive compensation and benefits from these activities. Examples of common OBAs in which a financial professional may participate include:

- Real-estate broker
- Insurance product sales (e.g., fixed life insurance, property & casualty, health/dental)
- Tax preparation and/or accounting
- Board member of a for-profit company

A financial professional's OBAs are separate and distinct from their McDonald Partners activities. By engaging in OBAs, your financial professional may have an incentive to recommend you purchase products or services through the OBA. If you engage with a financial professional for services separate from McDonald, you may wish to discuss with him/her any questions you have about the compensation he/she receives from the engagement. Additional information about your financial professionals outside business activities is available on FINRA's website at http://brokercheck.finra.org.

Item 5 Products: Fees, Costs, and Compensation

Commissions vary from product to product, which creates an incentive to sell a higher commission security rather than a lower commission security. We mitigate this risk through our procedures of reviewing products/trades for the client's best interest and suitability. For more information about other commissions that apply to a particular transaction, please refer to the applicable investment's prospectus or other offering document.

A. Mutual Funds, Closed-end Funds, and Exchange Traded Funds

1. **Mutual Funds:** Mutual funds are professionally-managed portfolios of securities that pool the assets of individuals and organizations to invest toward a common objective, such as current income or long-term growth. All mutual funds are offered for sale through a prospectus, which you should read prior to investing in a fund. The prospectus describes the sales charges and expenses applicable to the fun and it describes the fund's investment objective.

All mutual funds charge investment management fees and ongoing expenses for operating the fund and these expenses can vary by the share class purchased. The most common types of mutual funds are Class A and Class C shares, which are offered in our commissionable brokerage accounts. Some funds offer no-load share classes available in advisory programs. Funds may also offer special share classes for qualified retirement plans. The key distinctions between share classes relate to costs: the sales charge and operating expenses. Your financial professional's compensation is determined by the type of share class purchased.

- **Class A Shares**: For class A share mutual funds, you typically pay a front-end sales charge, called a sales load, which is deducted from the initial investment. Mutual funds with front-end loads generally reduce the sales charge as the amount of your investment increases above certain levels, according to a breakpoint schedule. Sales charges for mutual funds investing predominantly in equities generally are higher than those of mutual funds investing primarily in bonds. The maximum commission or sales charge permitted under applicable rules is 8.5%, although the maximum is typically 5.75%. Your front-end charges may be reduced or eliminated as the amount of your investment with the mutual fund company increases above certain levels. Such reduced charges are known as breakpoint discounts. At a certain level, typically $1 million, you may stop paying sales charges. Annual operating expenses for class A shares are generally lower than for class C shares. Please refer to the prospectus for the specific sales charges and expenses.

- **Class C Shares**: For class C share mutual funds, you are normally not charged a front-end sales charge or a contingent deferred sales charge (CDSC) unless you sell shares within a short period of time, usually one year. The operating expenses are usually higher than those of class A shares. Class C shares do not offer breakpoint discounts. Class C shares typically are more appropriate for investors with a shorter investment time frame.

When recommending investments in mutual funds, it is the Firm's policy to review and consider 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 financial professional may select 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. McDonald Partners periodically reviews the mutual funds held in client accounts to review the selection of the most appropriate share classes, in light of its duty to obtain best execution.

Depending on the length of the holding period for the mutual fund, and other factors, one share class may be less expensive to the investor than another, and McDonald Partners and the financial professional may earn more or less in compensation for one share class than another. Because of their characteristics and sales load structure, mutual funds generally are longer term investments. Frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges within a mutual fund family offered by a sponsor that permits exchanges without additional sales charges. McDonald Partners maintains policies and procedures that are designed to detect and prevent excessive mutual fund switching, but you should monitor your account and discuss with your financial professional any frequent mutual fund purchases and sales.

2. **Exchange Traded Funds (ETFs):** An ETF is an exchange-traded security combining attributes of conventional stocks with mutual funds. ETFs are pooled investment funds that offer investors an interest in a professionally managed portfolio of securities that track an index, a commodity or a basket of assets. ETFs may be actively managed or passively-managed and they trade on stock exchanges where they may experience price changes throughout the day as they are bought and sold. Certain types of ETFs, namely leveraged ETFs and inverse ETFs, are significantly riskier than basic ETFs.

   We act as an agent for your ETF transactions, which means we send your order to an external venue to buy or sell shares of the ETF. You pay a commission based on the amount of the transaction, which we share with your financial professional. ETFs also carry built-in operating expenses that affect the ETF's return. For more information, please refer to the applicable offering document.

3. **Closed-end Funds:** A closed-end fund is a type of investment company that is typically actively managed in an effort to outperform market indexes. Closed-end funds have a fixed number of shares that are publicly traded on an exchange. The share prices fluctuate based on investor supply and demand and there is no requirement that the share price match the Net Asset Value (NAV). Many closed-end funds trade at a discount to NAV. Open-end mutual funds, on the other hand, are priced each day at NAV. Closed-end funds are not required to redeem shares.

   We act as an agent for your closed-end fund transactions. This means we send your order to an exchange to buy or sell shares of the closed-end fund. You pay a commission based on the amount of the transaction. Closed-end funds also carry built-in operating expenses that affect the fund's return. Your financial advisor receives a percentage of the commissions from closed-end fund trades.

B. Unit Investment Trusts (UITs)

A UIT is an SEC-registered investment company that invests in a fixed, diversified group of professionally selected securities according to a specific investment strategy. Unlike open-end mutual funds, the securities within a UIT's portfolio generally are not actively traded and instead maintain more of a "buy and hold" approach to investing. As a holder of a UIT, you own a portion of the securities in the trust.

UITs have a set termination date where the portfolio securities are sold and the proceeds are paid to investors. Prior to the UIT's termination, a holder may redeem shares by tendering back to the sponsor. The amount received will be based on the current value at the date of redemption, which may be less than the original amount invested. UIT sponsors continuously offer new series of UITs, which makes it possible for investors to purchase a new series of the UIT upon expiration of the current UIT.

In brokerage accounts, you typically pay either a front-end sales charge or a combination of front-end and deferred sales charges. The maximum upfront sales charge paid typically ranges from 1.85% to 3.95%, and can depend on the length of the term of the UIT. The deferred sales charge is usually deducted from your account in periodic installments. We receive a portion of that sales charge from the provider sponsoring the UIT. The trust sponsor may also charge a "creation and development" fee (C&D) to compensate for the costs of organizing and offering the portfolio.

UITs have built-in operating expenses that affect their return. Details on the operating expenses and organizational fees are included in each UIT's prospectus.

C. Variable Annuities

Variable annuities are contracts issued by insurance companies into which the buyer makes a lump-sum payment or series of payments. In return, the insurer agrees to provide either a regular stream of payments beginning immediately (or at some future date) or a lump sum payout at a future time. The client pays premiums to the issuing insurance company. At the client's direction, the insurer allocates the client's premium payments to investment options, or sub-accounts (which are similar to mutual funds) comprised of stocks, bonds, or other investments. When you invest in a variable annuity, any growth credited to your account is credited to your account but is not taxed until you take distributions, at which point you pay taxes on any gains. Withdrawals before the age of 59 ½ may also incur a federal tax penalty. Please refer to the prospectus for information specific to the variable annuity you purchase.

Variable annuity accounts are maintained with the insurance company, not with our clearing firm. We do have the ability to link the values to an RBC CS account for reporting purposes only.

Fees and charges: Because variable annuities possess insurance features, they have fees and/or expenses that are not found in other investment products. The fees or expenses that you pay vary depending on the terms and share class of the annuity purchased. The most common fees are as follows:

- **Surrender charge.** Most variable annuities do not have an initial sales charge. However, insurance companies usually assess a surrender charge — often called a contingent deferred sales charge (CDSC) — to an annuity owner who liquidates a contract or makes a withdrawal in excess of the free withdrawal provision (typically 10%) during the surrender charge period specified in the prospectus. The CDSC typically decreases over several years. Please read the prospectus carefully with regard to the applicable surrender charges.

- **Mortality & Expense Risk charge (M&E).** The insurance company charges you this fee for the insurance risks it assumes by providing you guaranteed1 future payments and basic death benefits. In addition, this fee helps offset the cost of commissions paid.
- **Administrative fees.** These fees cover administrative costs associated with servicing the annuity, including the cost of transferring funds, tracking purchase payments, issuing confirmations and statements, recordkeeping, and customer service.
- **Contract maintenance fee.** This is an annual flat fee to keep the contract active. This fee may be waived on variable annuity contracts with account values over a certain dollar amount (for example, $50,000). See the prospectus for details.
- **Underlying fund expenses on subaccounts.** These fees cover the cost of managing the investments within the subaccounts.
- **Optional Rider costs.** Additional riders that provide protection for death and/or provide income may cost extra

Commissions and Compensation: Variable annuities typically have deferred sales charges that ranging from 5 - 7% in the first year and subsequently decline to zero after five to seven years. The commission payable to McDonald Partners, which we share with your Financial Professional, ranges from between 3 - 6% of your initial investment, with an annual trail commission of up to 1% of the total value of the annuity. Your financial professional has the option to choose from a higher upfront commission with a lower trail payment or, conversely, a lower upfront commission with a higher trail payment. The total compensation paid with each of these options is generally comparable over time.

E. Fixed Indexed Annuities and Buffered Annuities

Fixed indexed annuities are contracts issued by insurance companies where the returns are based upon the performance of a market index, such as the S&P 500. The index annuity provides a guaranteed minimum accumulation value, subject to the solvency of the issuer. The performance is subject to predetermined rate caps and floors, meaning the performance of your fixed indexed annuity will not exceed or fall below the specified return levels as described in the prospectus, regardless of market conditions.

A buffered annuity is similar to a fixed indexed annuity except that there is a potential to lose principal if the index falls farther than the level of protection offered by the annuity. For example, a buffered annuity might offer protection against the first 10% of a market decline; if the market declines beyond 10%, you would be responsible for any loss beyond 10%.

Typically, index annuities do not have a front-end sales charge when you purchase them, but you may pay a CDSC to the insurance company if you liquidate the contract before the end of a certain period of time. The percentage amount of the CDSC usually declines over time. Typically, you do not pay any sales charges or annual operating expenses when you purchase a fixed indeed or buffered annuity. The insurance company considers all its costs, including commissions, when determining the interest rate, caps, participation rates, and CDSC.

The insurance company pays McDonald Partners a commission at the time you pay your premium and, for some contracts, at the time of any subsequent renewal. The commission is not deducted from your initial premium or renewal amount. We share this commission with your financial professional. We also receive a revenue sharing payment from the insurance company, which we do not share with the financial professional.

F. General Securities (Stocks and Bonds and Certificates of Deposit)

1. **Common and preferred stocks:** when you buy or sell stock, we will act as your agent and route your order to an exchange to buy or sell shares. You pay a commission based on the amount of the transaction, which we share with your financial professional. In the event of trade errors and corrections, we can either earn a profit or loss.

2. **Bonds (Corporate, Municipal, Government):** When you purchase bonds in a brokerage account, we act as agent and will charge you a commission, expressed as a percentage of the dollar amount you buy and sell. The amount of the commission will be reflected on the trade confirmation. We share this compensation with your financial professional.

3. **Certificates of Deposit (CDs) and Structured CDs:**
   CDs are issued by banks or S&Ls and have fixed interest rates and set maturity dates. We also offer market-linked CDs, which are CDs with a return based on a collection of stocks or a market index, such as the Dow Jones Index or a basket of equities. CDs and market linked CDs are FDIC insured.

   Structured CDs are offered by private issuers, are usually senior unsecured obligations of the issuer, and are not FDIC insured. While not FDIC insured, these CDs are principal protected if held to maturity, subject to the creditworthiness of the issuer. Some structured CDs may be callable, which gives the issuer the right to or obligation to call the security away from the owner at preset dates and index levels. Please read the prospectus to information relating to investment objectives, risks, charges, and expenses of structured CDs before investing.

   For new issues, clients pay the initial offering price, which is set by the issuer. The offering price includes costs and fees associated with purchasing the security and includes selling concessions paid to McDonald Partners. Clients are not charged additional sales charges or commissions. The offering price and a description of the costs and fees associated with a security can be found in the prospectus. McDonald Partners imposes limits on the amount of structured CDs an investor may purchase. We share the selling commission received with your financial professional.

   For CDs purchased in the secondary market, clients pay a markup (in the case of a purchase) or a markdown (in the case of a sale), which generally consists of (1) the sales credit (effectively a commission) that varies based on the time to maturity and (2) the markup or markdown that the trading desk has included as part of the transaction. We share the markup/markdown with your financial professional.

G. Alternative Investments

McDonald Partners offers alternative investment solutions, when appropriate, that can include master limited partnerships, oil and gas programs, interval funds, and 1031 exchanges.

These products are classified as "alternative" because they are unlike traditional brokerage securities, such as stocks and bonds, and may not be traded on an exchange. In some cases, alternative investments have a negative correlation to traditional investments and are used to further diversify portfolios beyond the traditional asset classes to help manage risk.

Many alternative investments are illiquid long-term investments (7-10+ years) and may not have a secondary trading market. For this reason, converting an alternative investment to cash prior to liquidation is extremely difficult and may not be possible. In some cases, it may be difficult to determine the current value of the asset. Units or shares of these types of investments may fluctuate in value. Therefore, at the time of redemption, they may be worth more or less in value than the original amount invested. Most of these offerings are sold by prospectus or offering memorandum, which contain more complete information including risks, costs and expenses. Investors should read these carefully before investing.

Additionally, these investments contain fees and expenses that are higher than those of other investment types. These products are complex, risky, and are not appropriate for everyone. For this reason, there are heightened investor qualification requirements for purchases. There also could be a less expensive or less complicated product that is similarly appropriate for you.

When you invest in an alternative investment, the product sponsor pays us a sales charge or commission, which we share with your financial professional. In addition to this sales charge, you will also be responsible for paying additional expenses related to the organization and operation of the investment. As much as 12-15% of your investment could pay for these expenses (which includes the sales charge). A complete description of these expenses can be found in the product prospectus. We share the sales charge received with your financial professional.

H. IPOs

Clients with a desire to participate in IPOs and secondary offerings should discuss them with their financial professional to determine whether such investments are appropriate and available. Not all clients will be eligible to participate in IPOs.

IPOs are typically riskier investments and are 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 professionals receive a selling concession when purchasing new issue securities and secondary offerings for client accounts. The selling concession is a separate payment made directly by the issuer of the security to the financial professional as additional compensation.

I. Private Funds

McDonald Partners also manages private investment funds through an affiliated entity, McDonald Management LLC, which is wholly-owned and controlled by McDonald Partners. These private funds 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 pay placement or other fees to McDonald Partners. These fees are 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.

Because investment in these types of entities involve certain additional degrees of risk, they are only recommended to accredited investors when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Private funds, like other alternative investments, are generally illiquid long-term investments (7-10+ years) and there typically does not exist a secondary trading market. For this reason, converting an investment in a private fund to cash prior to liquidation is extremely difficult and may not be possible. In some cases, it may be difficult to determine the current value of the asset. McDonald Partners utilizes both its internal Investment Committee and third-party valuation providers to determine the current value of the assets in accordance with McDonald Partners' Valuation Policy.

Direct Fees and Charges

If you hold an account at McDonald Partners' clearing firm, RBC Correspondent Services, or directly at an outside mutual fund company, you may be charged fees directly to your account for transaction processing, account transfers, and retirement account maintenance. Your financial professional can provide more detail about these specific transaction-based fees.

Item 6 Trading

1. **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.

2. **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.

3. **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.

4. **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.

Item 7 Customer Referrals, Other Compensation and Other Conflicts

Referrals
McDonald Partners has a referral agreement with a different 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.

Error Correction
If a customer holds an account at McDonald Partners and a trade error caused by McDonald Partners occurs in the account, McDonald Partners will cancel the trade and remove the resulting monetary loss to a customer from the account. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the

account and may result in a financial benefit to McDonald Partners.

Rollovers
If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA), we have a financial incentive to recommend that a customer invests those assets with McDonald Partners, because we will be paid on those assets, for example, through commissions, fees and/or third-party payments. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

Item 8 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. Most financial professionals of McDonald Partners conduct business through both entities.

While McDonald Partners and these individuals endeavor at all times to put the interest of the clients first, 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 several 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 pay placement or other fees to McDonald Partners. These fees are 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 may 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 professionals, employees, and their spouses currently have invested in the Funds managed by McDonald Partners. As of December 31, 2023, the total value of ownership units held by these individuals or the Firm is approximately 15.2% 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 received warrants in consideration for his role with the Diasome Board of Directors.

Mr. McDonald has also been granted common stock in Caymus Funding Inc., the portfolio company of MPCF LLC, MPCF II LLC, and MPCF III LLC, 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.

Licensed Insurance Producers. Some of McDonald Partners' financial professionals, 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 professionals, 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 professional recommends the purchase of insurance products where that financial professional receives insurance commissions or other additional compensation.

Item 9 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 you direct otherwise, 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 you custody your assets at a custodian other than RBC CS, you will receive account statements directly from that custodian. McDonald Partners utilizes Equity Institutional, Millennium Trust, and State Bank as qualified custodians for IRA assets which are alternative in nature. Equity Institutional and Millennium Trust 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.