



A Registered Investment Advisor

MJM Financial Advisors, LLC

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**FORM ADV PART 2A
FIRM BROCHURE
8/25/2023**

This brochure provides information about the qualifications and business practices of MJM Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 908-647-7444. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MJM Financial Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for MJM Financial Advisors, LLC is 135197.

MJM Financial Advisors, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

SUMMARY OF MATERIAL CHANGES

At least annually when we amend the MJM Financial Advisors, LLC (“MJM”) brochure for the annual update, we will discuss only material changes from our last annual or interim update and we will provide you with a summary of such changes. We will reference the date of the last annual or interim update to this brochure.

Since our last updating amendment filed on January 27, 2023 MJM Financial changed custodian to Charles Schwab & Co., Inc. (“Schwab”). The change from TD Ameritrade to Schwab was the result of the two firms merging with the integration occurring on 9/5/2023.

A copy of our updated brochure and brochure supplement is available to you free of charge and may be requested by contacting us at (908) 647-7444 or mmaye@mjmfinadv.com.

Additional information about MJM is also available via the SEC’s web site www.adviserinfo.sec.gov. The IARD number for MJM is 135197. The SEC’s web site also provides information about any persons affiliated with MJM who are registered, or are required to be registered, as Advisory Representatives of MJM.

Form ADV Part 2A, Item 3

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Advisory Business

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Firm History

MJM Financial Advisors, LLC ("MJM" or the "firm") was formed in July 2005 by Michael J. Maye. The firm is a fee-only firm dedicated to the fiduciary principle that the client's best interest should be first and foremost at all times. The firm's services include financial planning and investment management services to clients. Financial planning services may include a broad range of non-investment matters such as tax planning, risk management, estate planning, and business consulting.

Principal Owners

MJM is solely owned by Michael Maye. Mr. Maye makes all strategic and administrative decisions for the firm.

Advisory Programs Offered

MJM offers three programs to new clients of the firm:

1. MJM Financial Planning Program
2. MJM Investment Management Program
3. MJM Wealth Management Program

Each of these programs is described in greater detail in Item 5 ("Fees and Compensation") of this Firm Brochure.

MJM provides financial planning services either as part of the Financial Planning Program or the Wealth Management Program.

The firm's relationship with each client is non-exclusive: in other words, MJM provides investment management and financial planning services to multiple clients.

Introductory Meeting

The firm offers an initial complimentary meeting to prospective clients. The meeting may take place in person or over the phone. The purpose of the meeting is for the firm and a prospective client to see if there is a mutual interest in working together. For in-person introductory meetings, MJM provides the latest copy of the firm's Form ADV Part 2A/2B, written Privacy Policy, and New Jersey Bureau of Securities Investor Protection information form.

Prospective clients who wish to engage the firm for services must enter into a written and signed agreement with the firm.

Financial Planning

MJM may provide its clients with a broad range of comprehensive financial planning services. These services may include tax-related and other non-investment management related issues. These services include full financial reviews, retirement planning, cash flow/budgeting, estate planning, IRA management, college planning, gifting strategies, and tax planning.

The firm will rely upon information provided by the client in developing its recommendations. MJM will deem the information provided reliable and is under no obligation to independently verify the information received from the client or their other advisors. Clients who engage the firm for financial planning services typically receive a written report with personalized recommendations. MJM may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if MJM recommends its own services. The client is under no obligation to act upon the recommendations of MJM under a financial planning agreement or to engage the services of any such recommended professional including MJM itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of MJM's recommendations. Clients are advised that it remains their responsibility to promptly notify MJM if there is ever a change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising MJM's previous recommendations and/or services.

Investment Management

Clients can engage MJM to manage all or a portion of their assets on a discretionary or non-discretionary basis.

MJM primarily recommends to its clients' institutional style and no-load mutual funds and other low-cost investment vehicles such as exchange traded funds (ETF's) and exchange traded notes (ETNs). The firm also considers, in providing advice to clients, investments held in 401(k), 403(b) or other qualified retirement plans when developing an overall investment portfolio for the client. MJM also provides advice about any type of investment held in a client's portfolio.

MJM also may give non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, MJM either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific life insurance company or custodian designated at the product.

In general, investment management and wealth management services are tailored to meet the needs of individual clients. MJM initially and on an ongoing basis meets with clients to determine their risk tolerance, time horizon, and other factors that affect the client's investment needs. MJM works with clients to ensure their investments are suitable for their investment needs, goals, objectives, and risk profile. MJM typically offers to meet with Investment Management and Wealth Management Program clients quarterly.

The firm's clients are advised to promptly notify the firm of changes in their financial circumstances or investment objectives. Clients may impose reasonable restrictions upon their investment accounts. All account restrictions and limitations must be made in writing by the client and approved by the firm.

Non-Participation in Wrap Fee Programs

MJM as a matter of practice and policy does not sponsor any wrap fee program.

Educational Seminars and Workshops

MJM has participated in educational workshops where the firm has presented general information on a variety of financial topics (i.e., budgeting, investments, estate planning, tax matters). The information is general in nature and no specific products are sold. MJM in the past has presented to various groups including local senior citizens, women's groups, corporate employees, university employee retiree luncheon, and at various university "Meet the Experts" events.

IRA Rollover Recommendations

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; and
- Give you basic information about conflicts of interest.

Assets Under Management

As of 12/31/2022, MJM provided advice on approximately \$34.0 million of assets for 25 family groups. Of these assets under advisement, \$34.0m are managed on a discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

MJM offers its services on a fee-only basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

MJM Financial Planning Program

MJM may provide its clients with a broad range of financial planning services. Clients receive a written financial planning agreement for their review before hiring MJM. The planning agreement must usually be signed by the client to engage MJM for planning services. If the client engages MJM for additional investment advisory services, MJM may discount its financial planning fees.

Services

The firm provides financial planning services primarily through individual consultations. Advisory services may involve advice on income, cash flow management, retirement, college funding, estate planning, investments, tax planning, risk management, and business consulting. Services may be limited in scope and focus on one or several areas of client interest. These services are offered on a flat/fixed fee project basis or on an hourly basis.

The firm's advice is not ongoing in its financial planning program and terminates upon delivery of the plan or advice. Clients can rehire the firm for additional planning services for an additional fee. Advice may include recommendation of annual reviews/updates and it is the client's responsibility to initiate additional services.

Our Fees

Full Financial Plan	\$3,500 - \$8,000 (typical range)
Limited Scope Planning	\$1,000 - \$3,000 (typical range)
Hourly Planning	\$400 per hour

Each written financial planning agreement specifies the cost and scope of the financial planning services.

When Fees are Paid

The firm generally collects 50% of the fee upfront and the balance of the fee upon report presentation.

How Fees are Paid

Clients typically pay the firm by check for financial planning services.

Return of Unearned Financial Planning Fees upon Termination

Either party may terminate the agreement by written notice to the other. Clients terminating financial planning services will receive the balance of unearned fees. In some cases, the client will not receive a refund if no unearned fees remain when services are terminated.

MJM Financial Planning Program

Negotiability of Fees

The firm, in its sole discretion, may charge a higher or lower fee depending on the complexity of the project as well as other factors.

Potential Conflicts of Interest with Hourly Planning

In cases where the firm bills clients for the actual hours (hourly planning) the firm allocates to the client's particular issues and situation, there are potential conflicts of interest which may arise. If a client's situation involves issues new to MJM, more research may be required on MJM's part to fully advise the client in a professional manner. Also, the speed at which MJM is able to complete work directly affects the compensation MJM charges the client. To the extent an issue involves other aspects of a client's situation, e.g., taxes or estate planning, MJM must research those related areas as well to properly advise you on unintended consequences of a proposed action. These additional hours would increase our compensation.

To limit these conflicts of interest, MJM is willing to set a cap on the hours MJM devotes to the client's situation. MJM's written recommendations will carry a caveat describing related issues or more in-depth considerations MJM was not able to fully research and analyze. Then, the client can determine whether it is in their interest to authorize funds for the additional time needed to expand the project.

Limited Scope Planning

When financial planning services focus only on certain areas of client interest, the client needs to understand their overall financial situation may not be fully addressed due to the limits they have established on the scope of the project.

MJM Investment Management Program

The firm's Investment Management Program is generally available to clients with a minimum annual fee of \$5,000 for new clients. The program provides investment management services only and **does not include financial planning**. Financial planning services are available for an additional fee under the firm's Financial Planning program. The firm's all-inclusive Wealth Management Program (below) also includes financial planning.

Services Provided

The firm's Investment Management Program provides discretionary investment management or non-discretionary investment management services. The discretionary or non-discretionary agreement is provided to a prospective client for their review before the agreement is signed. The services of this program generally include:

- Development and implementation of an investment plan including an Investment Policy Statement (IPS)
- Quarterly reports from MJM on the client's investment portfolio
- Monthly statements/trade confirmations directly from independent account custodian such as Schwab
- Newsletters and other materials when published by the firm
- Portfolio reviews on a quarterly basis (in person or via phone)
- Portfolio rebalancing

Our Fees

The fee for this program is charged as a percentage of assets under management. Fees are paid in quarterly installments in advance based on the schedule below:

<u>Portfolio Value</u>	<u>Quarterly Fee</u>	<u>Annual Fee</u>
up to \$1,000,000	0.1875%	0.75%
next \$1,000,000	0.125%	0.50%
above \$2,000,000	0.0875%	0.35%

How Fees are Calculated

Billing amounts are based on the market value of the client's account (including cash) at the end of the previous quarter. Valuations are received from independent pricing sources such as Schwab or other custodians.

For the initial quarter the investment management fee for that quarter is calculated on a pro rata basis.

The client may make additions to and withdrawals from their account at any time. New assets over \$50,000 deposited after the quarter has started are charged on a pro-rata basis. Withdrawals over \$50,000 taken after the quarter has started are credited on a pro-rata basis.

MJM Investment Management Program

Minimum Fees

The firm's Investment Advisory Program has a minimum fee of \$5,000 for new clients. This minimum fee may have the effect of making this program less cost effective for clients with less than \$666,667 in assets.

When Fees are Paid

Fees are billed and paid quarterly, in advance of the quarter, based on account values from the prior quarter end. The firm includes all accounts it provides advice on.

How Fees are Paid

Fees are deducted directly from the client's account(s). MJM sends each client an invoice detailing the current quarter's fee before deducting fees from their account(s).

Return of Unearned Fees upon Termination

Either party may terminate the agreement by written notice to the other. If a client terminates their agreement during a quarter, for any reason, the fee for the quarter is prorated and the pro rata unearned amount is refunded to the client.

Negotiability of Fees

The firm, in its sole discretion, may charge a lesser fee based on a number of criteria. The criteria include anticipated future additional assets/earning power, pre-existing client, account retention, and pro bono activities.

Potential Conflicts of Interest with Percentage Based Compensation

The vast majority of MJM's clients pay MJM fees based upon a percentage of the assets MJM advises upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between MJM and its clients as to the advice MJM provides. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments, and the amount of funds to place in non-managed cash reserve accounts. The firm's goal is to give advice that remains at all times in the client's best interest, disregarding any impact of the decision upon MJM.

MJM Wealth Management Program

The firm's Wealth Management Program is generally available to clients with a minimum annual fee of \$7,500 for new clients. The program combines initial planning, ongoing investment advisory services, and ongoing financial planning services. Ongoing financial planning services include risk management, tax planning/preparation, estate planning, cash flow planning, college planning, and retirement planning.

Services Provided

The firm's Wealth Management Program is outlined in the firm's Wealth Management agreement. This agreement is provided to a prospective client for their review before the agreement is signed. The services of this program generally include:

- Preparation of an initial financial plan
- Development and implementation of an investment plan including an Investment Policy Statement (IPS)
- Quarterly reports from MJM on the client's investment portfolio
- Monthly statements/trade confirmations directly from independent account custodian such as Schwab
- Newsletters and other materials when published by the firm
- Portfolio reviews on a quarterly basis (in person or via phone)
- Portfolio rebalancing
- Tax planning
- Non-investment planning as needed

Our Fees

The fee for the firm's wealth management program is comprised of an initial one-time plan fee plus an ongoing fee. The initial plan preparation fee is discounted from the stand alone plan fee (\$3,500 - \$8,000) to \$1,750 to \$4,000 depending on complexity.

The ongoing program fee is charged as a percentage of assets under management. Fees are paid in quarterly installments in advance based on the schedule below:

Portfolio Value	Quarterly Fee	Annual Fee
up to \$1,000,000	0.25%	1.00%
next \$1,000,000	0.1875%	0.75%
above \$2,000,000	0.125%	0.50%

How Ongoing Fees are Calculated

Billing amounts are based on the market value of the client's account (including cash) at the end of the previous quarter. Valuations are received from independent pricing sources such as Schwab or other custodians.

For the initial quarter the ongoing wealth management fee for the first quarter will be calculated on a pro rata basis.

MJM Financial Advisors, LLC Wealth Management Program

The client may make additions to and withdrawals from the account at any time. New assets over \$50,000 deposited after the quarter has started will be charged on a pro-rata basis. Withdrawals over \$50,000 taken after the quarter has started will be credited on a pro-rata basis.

Minimum Fees

The firm's Wealth Management Program has a minimum ongoing fee of \$7,500 for new clients. This minimum fee may have the effect of making this program less cost effective for clients with less than \$750,000 in assets.

When Fees are Paid

Fees are billed and paid quarterly, in advance of the quarter, based on account values from the prior quarter end. The firm includes all accounts it provides advice on.

How Fees are Paid

The initial planning fees are paid by check. The ongoing fees are deducted directly from the clients' account(s). MJM sends each client an invoice detailing the current quarter's fee before deducting fees from their account(s).

Return of Unearned Fees upon Termination

Either party may terminate the agreement by written notice to the other. If a client terminates their agreement during a quarter, for any reason, the fee for the quarter is prorated and the pro rata unearned amount is refunded to the client. Initial planning fees are not refundable unless it is within five (5) business days of the signing of the original agreement.

Negotiability of Fees

The firm, in its sole discretion, may charge a lesser fee based on a number of criteria. The criteria include anticipated future additional assets/earning power, pre-existing client, account retention, and pro bono activities.

Potential Conflicts of Interest with Percentage Based Compensation

The vast majority of MJM's clients pay MJM fees based upon a percentage of the assets MJM advises upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between MJM and its clients as to the advice MJM provides. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments, and the amount of funds to place in non-managed cash reserve accounts. The firm's goal is to give advice that remains at all times in the client's best interest, disregarding any impact of the decision upon MJM.

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), MJM generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("Schwab") for investment management accounts.

MJM may only implement its investment management recommendations after the client has arranged and furnished MJM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Schwab, any other broker-dealer recommended by MJM, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to as "Financial Institutions").

All fees paid to MJM are separate and distinct from the fees and expenses charged by underlying investment vehicles. Investment vehicles such as mutual funds, exchange traded funds (ETF), exchange traded notes (ETN) have their own expenses. The expenses are described in each fund's prospectus. These expenses generally include a management fee and other fund expenses. MJM receives no portion of these fees.

Clients will incur transaction fees or commissions in connection with trading mutual fund, ETF, ETN, individual stocks, and individual bonds which are charged by the custodian. These fees vary by investment vehicle. MJM receives no portion of these fees.

Clients should review the fees charged by the underlying investment vehicle fees, transaction fees charged by the custodian, as well as MJM's fees, to fully understand the total amount of fees and costs paid by the client, in connection with any recommended transactions.

For a discussion of the firm's practice of recommending brokers (custodians) to clients see Item 12.

Clients may also incur "account termination fees" upon the transfer of an account(s) from brokerage firm (custodian) to another. Clients should contact their custodians to determine what, if any, account termination fees would be incurred when transferring account(s).

MJM receives no compensation based on product sales or recommendations.

Applicable to All Programs: Cancellation and Termination Of Advisory Agreements

Clients may cancel any new agreement without penalty by providing written notice of such cancellation to MJM within five (5) business days of signing the agreement.

Educational Seminars and Workshops

MJM does not charge a fee for presenting at educational seminars and workshops.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Item 6. is not applicable to MJM Financial Advisors, LLC

MJM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains/appreciation of the assets of a client.

Types of Clients

Form ADV Part 2A, Item 7

MJM provides advisory services primarily to individuals and their families, including high net worth individuals, estates and trusts.

The firm reserves the right to decline services to any prospective client for any reason.

Required Minimum Client Assets under Management

The firm's Investment Management Program does not have a minimum for assets under management. However, the firm has a minimum fee of \$5,000 for new clients. This minimum fee may have the effect of making this program less cost effective for clients with less than \$500,000 in assets. Minimums are subject to negotiation.

The firm's Wealth Management Program does not have a minimum for assets under management. However, the firm has a minimum fee of \$7,500 for new clients. This minimum fee may have the effect of making this program less cost effective for clients with less than \$750,000 in assets. Minimums are subject to negotiation.

MJM, in its sole discretion, may waive its minimum annual fees based upon factors such as anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities etc.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Financial Planning

MJM provides financial planning services tailored to the needs of the client and believes that a financial plan is fundamental to clients. MJM's financial planning services may include the following:

- *Full Financial Plan:* MJM reviews the entire client's overall financial situation (cash flow, net worth, risk management, taxes, investment review, college/retirement planning, and estate planning) and provides a report with written recommendations. MJM uses financial planning programs to analyze the data and help prepare the written recommendations.
- *Retirement Planning:* MJM works with clients to develop a retirement plan using financial planning programs. MJM runs client retirement projections and scenarios through the retirement modeling programs. The programs integrate the client's personal goals and incorporate key drivers such as: client longevity, inflation, investment returns, money to be saved pre-retirement, age to retire, and retiree spending/distribution levels.
- *Estate Planning:* MJM works with the firm's clients' and their attorney in the development, creation and/or revision of a client's estate documents (wills, trusts, power of attorney, health care proxies, and living wills).
- *Asset Allocation Reviews:* MJM provides asset allocations to clients who wish to have their various investment accounts analyzed in total. MJM reviews the client's overall portfolio and may prepare a long-term asset allocation that is aligned with the client's investment goals, risk profile, diversification, and return expectations. MJM also reviews the client's accounts to determine if consolidating their various investment accounts would facilitate the investment management process or lower costs.
- *IRA and 401(k) Account Consolidation:* MJM meets with clients with multiple retirement plans created over the course of the client's work history. MJM can assist the client with reviewing their various retirement accounts and helping clients consolidate these accounts. Consolidating these accounts can help the client better manage and align these accounts with their goals and needs.

Investment Management

MJM designs investment strategies based on information supplied by the client or their other professional advisors. MJM measures investors' goals, risk tolerance, and time horizon through an interview process and/or a questionnaire to determine investment strategies that best fits each client's needs.

The firm typically recommends pooled investment vehicles such as mutual funds, exchange traded funds (ETFs), and exchange traded notes (ETNs). The firm's clients receive the benefit of MJM's investment philosophies and investment research and due diligence. MJM generally does not recommend specific individual securities (stocks or bonds). A client portfolio may contain individual securities as part of their holdings prior to becoming an MJM client.

MJM's investment process is a disciplined, continuous cycle of planning, implementing, and monitoring, and refining client portfolios using the types of securities discussed above. Investment strategies may include long-term or short-term purchases based on the client's needs.

Due Diligence

When recommending a specific fund (mutual fund, exchange traded fund, exchange traded note) criteria used include: fund inception date, manager tenure, asset level, fund composition, fund style, expense ratio, risk adjusted performance ratios, performance vs. peer group, and performance vs. benchmark index.

Asset Classes

The major asset classes MJM typically recommends: cash, U.S. fixed income (taxable and tax-free), International fixed income, U.S. large capitalization equities, U.S. mid capitalization equities, U.S. small capitalization equities, international equities (developed and emerging markets), real estate, and natural resources/commodity funds. The firm's recommendations provide exposure to these asset classes typically through pooled investment vehicles such as mutual funds, exchange traded funds (ETFs) and exchange traded notes (ETN's).

Investment Strategies

The firm's investment strategies are primarily based on the following:

Active vs. Passive Investing

MJM believes the core of client portfolios should be invested in passively managed funds. Passive investments typically are low cost and provide broad diversification. The firm may also use active investments in client portfolios for some asset classes or to implement a particular investment strategy.

Asset allocation

Asset allocation is central to the firm's investment philosophy. The firm believes asset allocation is a key driver of long-term portfolio performance. MJM begins its investment process by developing an asset allocation based on a defined investment policy statement (IPS) that focuses on the client's investment objectives, time horizon, and risk tolerance.

MJM believes in maintaining a strategic asset allocation per the IPS and rebalancing the client's strategic asset allocation. The client's strategic asset allocation includes fairly wide bands in order to manage transaction costs and taxes.

Tax Sensitivity

The firm's investment recommendations are generally tax sensitive. However, in some cases tax sensitivity will be outweighed by other factors.

Investment Expenses

The firm pays close attention to investment expenses of recommended investments. MJM focuses on these expenses as they impact investment performance over the long term.

Single Integrated Portfolio

MJM considers a client's investment accounts as a single integrated portfolio. As a result, the client's overall portfolio will be diversified across their overall portfolio but not necessarily in every single client investment account.

Sources of Information

The firm's investment analysis is based on a number of factors including commercially available software, general economic and financial market information. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, and research papers. Research is received from various sources including mutual fund companies, custodians, and other firms.

Risk of Loss

Mutual Funds, ETFs, and ETNs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks related to the underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required to distribute capital gains, as mutual funds are required by law to distribute capital gains in the when they sell securities for a profit that cannot be offset with a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to fund's stated daily net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of the mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to a mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary markets. Generally, ETFs shares trade at or near their most recent NAV, which is generally calculated at least once a day for index-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

ETNs are typically senior unsecured debt securities issued by a financial institution. Shares of ETNs are listed on securities exchanges and transacted at negotiated prices in the secondary market.

ETNs are designed to provide shareholders with access to the returns of market benchmarks or strategies and as a result ETNs are subject to market risk. Shareholders in an ETN are also subject to the credit risk of the financial institution who issued the ETN. Shareholders do not have recourse to an underlying portfolio of securities.

Market Risks

MJM designs portfolios with risk in mind and the firm's investment recommendations seek to limit risk through broad global diversification. However, clients with diversified portfolios may still be subject to declines in their portfolios which can be dramatic at times. MJM's investment philosophy is best suited to investors who have a longer-term perspective.

MJM in no way guarantees performance or results.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Disciplinary Information

Form ADV Part 2A, Item 9

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MJM or the integrity of MJM's management.

MJM does not have any required disclosures to this item.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

MJM Financial Advisors, LLC was registered as a CPA firm in the State of NJ during July 2012. The firm's CPA registration was related to the new tax preparer rules. The firm does not provide audit, attest services, or bookkeeping services to any clients. The firm provides tax planning and tax preparation services as part of a broader overall service such as Wealth Management.

MJM's Wealth Management program offers clients tax planning and individual tax preparation services. These tax services are included in the firm's Wealth Management fee and no additional fees are charged by MJM or Mr. Maye. MJM generally does not offer stand-alone tax preparation services. Potential clients who contact MJM solely for tax preparation services are usually referred to other local CPA's. Mr. Maye is an accountant and holds a CPA license in New Jersey and New York. He does not have any interest in any accounting firm or business venture outside of MJM Financial Advisors, LLC.

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

Form ADV Part 2A, Item 11

The firm seeks to avoid material conflicts of interest. Accordingly, neither MJM nor its investment advisor representatives receive any third party direct monetary compensation from brokerage firms (custodians) or mutual fund companies.

The firm does receive services and non-monetary benefits as a result of its relationship with custodian(s) and/or providers of mutual fund products. For example, the firm's advisors may be invited to attend educational conferences sponsored by brokerage firms (custodians) or mutual fund companies. The firm believes the services and benefits provided to it by financial services firms do not materially affect the investment management recommendations made to clients.

Participation or Interest in Client Transactions

The firm, as a matter of policy, does not make recommendations to clients where the firm has a material financial interest.

The firm does not buy or sell securities between the firm's account and client accounts.

Code of Ethics/Personal Trading/Insider Trading

MJM has adopted a Code of Ethics to which all investment advisor representatives and employees must adhere. The key points of the firm's Code of Ethics states:

- The firm shall act in the client's best interest at all times
- Fundamental principles of openness, integrity, honesty, and trust
- Comply with both the letter and spirit of all applicable federal and state laws

MJM has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Code of Ethics describes the firm's fiduciary duties and responsibilities to clients. MJM will provide a complete copy of the firm's Code of Ethics to any client or prospective client upon request. The firm's Code of Ethics incorporates by reference both a written Personal Securities Transaction policy and an Insider Trading policy.

The firm's Personal Securities Transaction policy sets forth the firm's practices of supervising and monitoring the personal securities transactions of personnel. At times the individuals associated with MJM may coincide with the interests of a client's account. The individuals associated with MJM will not receive an added benefit or advantage over other clients.

The firm and individuals associated with the firm are permitted to buy or sell securities that it also recommends to clients. However, these personal securities transactions are subject to the firm's personal trading policies and procedures. Under the Personal Securities transaction policy certain securities have been specifically exempted (direct U.S. Government obligations and open-end mutual funds). The policy also recognizes that some securities under consideration for sale or purchase in client accounts trade in very broad markets to permit transactions by clients to be completed without any noticeable impact on the markets of the securities. MJM also maintains a record of personal securities transactions.

The firm's written Insider Trading policy prohibits personnel from trading on material nonpublic information.

Client Privacy

The firm has also adopted a written Privacy Policy protecting the confidentiality of client information.

Brokerage Practices

Form ADV Part 2A, Item 12

Use of Brokerage Firms (Custodians)

MJM generally recommends the use of Charles Schwab & Co., Inc. ("Schwab") for client investment management accounts.

Factors MJM considers in recommending Schwab or any other brokerage firm to clients include their respective financial strength, reputation, execution, pricing, research, and service. Schwab enables MJM to obtain certain mutual funds without transactions charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other brokerages.

The commissions paid by MJM's clients shall comply with the firm's obligation to obtain best execution. The firm in seeking best execution uses a broad array of criteria that is not limited to cost only. The firm takes into account the full range of brokerage (custodian) services. For example other items considered are value of research provided, execution capability, commission rates, and responsiveness of brokerage (custodian). MJM will seek competitive but not necessarily the lowest rates for client transactions.

MJM periodically and systematically reviews its policies and procedures regarding recommendations of Financial institutions in light of its duty to obtain best execution.

The client may direct the firm in writing to use a particular brokerage to execute client transactions. The client will be responsible for negotiating terms with the brokerage and the firm will not seek better transaction costs with other brokerages. The client may pay higher commissions, transactions fees, or spreads. MJM may decline a client's request to direct brokerage if in the firm's sole discretion such activities would result in additional operational difficulties subject to its duty to obtain best execution.

Transactions for each client are effected independently since MJM does not aggregate or combine the trades of its clients. As a result, the firm's clients do not receive the potential benefits of reduced transaction fees from aggregating trades.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker dealers in return for investment research products and/or services which assist MJM in its investment management decision making process. Such research generally will be used to service all of MJM's

clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services poses a conflict of interest because MJM does not have to produce or pay for products or services.

Software and Support Provided by Financial Institutions

MJM may receive from Schwab, without cost to MJM, computer software and related systems support, which allows MJM to better monitor client accounts maintained at Schwab. MJM may receive the software and related support without cost because MJM renders investment management services to clients that maintain assets at Schwab. The software and related systems may benefit MJM, but not its clients directly. In fulfilling its duties to clients, MJM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that MJM's receipt of economic benefits from broker-dealer creates a conflict of interest since these benefits may influence MJM's choice of broker-dealer over another broker-dealer that does not furnish similar software, system support, or services. Additionally, MJM may receive the following benefits from Schwab through the Schwab Advisor Services™ platform: receipt of duplicate client confirmations/statements, access to institutional trading desk/support, and access to electronic communication network for client order entry and account information.

MJM does not participate in any custodian or brokerage client referral program.

Review of Accounts

Form ADV Part 2A, Item 13

Financial Planning Program

Those clients to whom MJM provides financial planning will receive reports, as agreed upon in a financial planning agreement, from MJM summarizing its analysis and conclusions. The firm's advice in the financial planning program is not ongoing and terminates upon delivery of the plan or analysis. Clients who do not retain MJM for additional ongoing services are solely responsible for monitoring their own accounts.

Investment and Wealth Management Programs

MJM reviews client portfolios for its Investment Management and Wealth Management Programs periodically and upon client request. All investment and wealth management clients are encouraged to discuss their needs, goals, and objectives with MJM and to keep MJM informed of any changes to their circumstances.

Periodic Portfolio Reviews

The firm conducts quarterly reviews of client portfolios to determine if asset classes have strayed beyond their target minimums or maximums defined in the client's Investment Policy Statement (IPS). The firm may determine not to rebalance specific asset classes outside of their target ranges for several reasons. The reasons include: avoidance of short term capital gains, to minimize transaction costs, asset class valuations vs. historical levels and/or macroeconomic conditions. Clients receive a written quarterly report showing the variation between their target IPS allocations vs. their current allocation.

Upon Client Request

The firm also conducts portfolio reviews upon client request. Clients may request a review when a special cash need arises or when additional cash or securities are added to their portfolio. The firm will respond to client requests within a reasonable period of time.

Portfolio Reports Provided to Clients

MJM Quarterly Reports

MJM provides its clients with a quarterly reporting package. The package includes reporting on investment accounts held at Schwab. The report typically includes: consolidated portfolio statement, performance report vs. benchmarks, and a monitoring report. The monitoring report shows the client's current asset allocation vs. their IPS target, underlying performance of pooled investment vehicles (mutual funds, ETF's, ETN's) vs. appropriate benchmarks, and estimated costs of pooled investment vehicles used in the client's portfolio.

Monthly/Quarterly Statements from Custodian

The firm's clients receive monthly or quarterly statements directly from the independent custodian. These statements reflect the assets in the custodian's custody. Clients also receive trade confirmations of each transaction executed in their investment account. The statements may be delivered either via U.S. mail or electronically via e-mail depending on client preference.

We encourage clients to compare the account statements received from MJM with those directly received from the custodian on a timely basis. Should the client detect any unusual activity such as unauthorized trading or unauthorized transfers of cash or securities please contact Michael Maye at 908-647-7444.

Custodian Website

Clients may directly access their accounts online every day via the secure website of the custodian (Schwab).

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

MJM does **not pay or accept compensation** from any person for client referrals. Referrals to other professionals may be undertaken where appropriate to meet the client's needs. These situations are described below:

- Referrals to a CPA may be undertaken for a client in need of accounting services such as business valuations, auditing, bookkeeping, or other accounting services. The client's CPA will provide these services directly to the client and bill the client directly for these services.
- Referrals to attorneys for legal advice and document preparation for any recommended estate planning, sale of businesses, asset protection strategies, or other legal services as needed. The client's attorney will provide these services directly to the client and bill the client directly for these services.

MJM may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

Custody

Form ADV Part 2A, Item 15

MJM as a policy does not accept custody of client securities.

The firm does not have the ability to withdraw or transfer funds or cash from a client account to our account or any third party. The only exception to this policy is for the deduction of client fees owed to MJM for Investment Management or Wealth Management services. MJM, only with client consent and completion of the appropriate paperwork, may deduct its Investment Advisory or Wealth Management fees directly from the client's account. The client grants MJM authorization when it signs the MJM Wealth Management or MJM Investment Management agreement. The authorization is also granted by the client when they initial and sign the custodian's new account application form. MJM also sends each client a quarterly invoice before deducting fees from their account(s).

The firm's clients receive account statements directly from a qualified custodian, such as a bank or broker dealer (custodian) that maintains their assets. Clients should carefully review their account statements and compare them to MJM's quarterly reports.

MJM strongly encourages all clients to compare the statements to verify all account transactions, including MJM's advisory fees, are proper. Clients should notify MJM immediately at 908-647-7444 if any issues are noted.

Investment Discretion

Form ADV Part 2A, Item 16

MJM typically requests the authority to exercise discretion on behalf of its clients. MJM is considered to exercise discretion over a client's account if it can effect transactions for the client without first seeking the client's consent. The firm is given this authority through a power-of-attorney included in the agreement between MJM and the client. In addition, the firm's custodian (Schwab) requires the client complete a new account application. On the custodian's new account application the client must initial and sign the form granting MJM access to place trades in the client's account(s) on a discretionary basis. MJM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When the transactions are made

The firm's trading is normally guided by the client's Investment Policy Statement. The firm also seeks to limit trading to manage transactions costs and to minimize tax consequences.

The firm may also provide non-discretionary investment management services to clients for:

- variable life/annuity products they already own and/or
- their individual employer sponsored retirement plan (401(k), 403(b))

For the above non-discretionary accounts, MJM either directs or recommends the allocation of client assets among the various investment options available within the variable life/annuity or retirement plan. These client assets are maintained at the insurer or the retirement plan custodian.

Voting Client Securities

Form ADV Part 2A, Item 17

Proxy Voting

MJM does not accept authority to vote proxies on behalf of clients. Clients retain responsibility for receiving and voting proxies for all securities in client portfolios. Clients receive proxies directly from the Financial Institutions.

Other Corporate Actions

The firm will have no responsibility or obligation to take any action with regard to any bankruptcy proceeding, class action securities litigation, or other matter relating to securities held at any time in a client account.

Financial Information

Form ADV Part 2A, Item 18

MJM does not require prepayment of more than \$500 in fees per client and 6 or more months in advance.

The firm has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

MJM maintains a minimum capital requirement of \$10,000 in accordance with regulations adopted by the New Jersey Bureau of Securities.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Principal Executive Officers

Michael J. Maye CFP(R), CPA/PFS
Born 1965

Post Secondary Education

Pace University - 1995, MBA, Finance: Investment & Portfolio Management
St. John's University - 1987, BS, Accounting (Magna Cum Laude)

Recent Business Background

MJM Financial Advisors LLC - President 04/2005 to present
Self employed investor - 10/2004 to 03/2005
Dun & Bradstreet - Leader Financial Planning & Analysis, 05/2004 - 09/2004
J.P. Morgan Asset Mgmt. - Vice President & CFO
Funds and Financial Intermediaries Group - 07/2003 - 02/2004
Alliance Capital Management L.P. - Vice President
Corporate Planning & Analysis - 03/1996 to 07/2003