

1. Advisory Services and Fees

The registrant, Mutual Federal Savings Bank (MFSB) doing business as Mutual Financial Advisors, (MFA) provides investment advisory services defined as the providing of continuous and regular supervisory and management services to securities portfolios. MFA does not consider or call any of its services "financial planning". MFA is the successor to Wagley Investment Advisors, Inc. (WIA) which was founded in 1990 and was acquired by MFSB in March 2007.

MFA investment advisory services include developing and maintaining an investment policy statement (IPS), selecting, supervising and monitoring investment managers or managing assets directly on a discretionary or joint discretionary basis, making changes when necessary, reporting to clients regularly on portfolio positions and performance results, providing a year end capital gains report, controlling and accounting for all investment expenses, and monitoring to prevent prohibited transactions and conflicts of interest.

Client assets are held in custody by an independent third party broker/dealer who also executes all transactions upon instructions from MFA and performs other appropriate services. Accounts are charged transaction fees by the custodian that are deducted at the time of each transaction. MFA does not share in these fees.

MFA advisory service is offered for a fee based on a percentage of assets under management. Accounts are charged a management fee each quarter. The fee for the initial quarter is pro-rated for the number of days expired in the quarter and is payable when the assets are received. The fee rates may be discounted at MFA's discretion. Fees are automatically deducted from the client's custodial account. Either party may terminate the agreement at any time upon written notice. There is no termination charge but any expenses incurred as a result of the termination may be charged to client. Fees paid in advance will be refunded pro-rata based on the number of days expired in the quarter.

The fee is payable in advance at the beginning of each quarter and is based on the value of the account at the end of the previous quarter. Management Fee Schedule

(annualized rates):

First \$500,000	1.20%
Next \$1,500,000	1.00%
Next \$3,000,000	.75%
Amount over \$5,000,000	.50%

Any percentage of the account value specifically allocated to cash in the investment policy statement is not included in total assets for purposes of determining the fee; however, any cash pending investment over and above the specified cash allocation is included in the fee calculation. There is no minimum fee.

2. Types of Clients Served by Registrant

Individuals, businesses, retirement plans, trusts, banks and thrift institutions, estates and charitable organizations.

3. Types of Investments on which Registrant Advises

Exchange-listed and over-the-counter equity securities, warrants, corporate debt securities, certificates of deposit, municipal securities, variable annuities, mutual funds, exchange-traded funds, unit investment trusts, U.S. Government securities, mortgage-backed bonds, securities options, and real estate investment trusts.

4. Methods of Analysis, Sources of Information, and Investment Strategies

Methods of securities analysis used include Fundamental Analysis, Technical Analysis and Charting. Main sources of information include Annual reports, prospectuses, SEC filings, research materials prepared by others, financial newspapers and magazines, corporate rating services, and company press releases. Investment strategies used to implement client investment plans can include long term purchases, short term purchases, margin transactions, short sales, and option buying and writing, including covered options, uncovered options, and spreading strategies.

5. Education and Business Standards

Individuals involved in determining or giving advice to clients are required to have a bachelor's degree and at least 3 years experience in the investment industry.

6. Education and Business Background

Individuals determining advice given to clients:

Thomas R. Wagley, Senior Investment Advisor, MFA: born 1934, B.S. Ball State University '58, Northwestern University Trust School. President/Chairman WIA 1990-2007. Chief Investment Officer for Merchants National Bank of Muncie prior to 1987.

David L. Riggs, Managing Investment Advisor, MFA: born 1957, B.S. Ball State University '79. Vice-President/Secretary-Treasurer of WIA 1990-2007.

Kevin A. Carey, Vice-President, Elkhart Regional Manager Mutual Federal Savings Bank, born 1967, B.S. California

University of Pennsylvania '88, Vice-President/Investment Officer, First Source Corporation Advisors, 1993-2006

Executive Officers:

Patrick Botts, President/COO Mutual Federal Savings Bank 2003-present, born 1964, B.S. Ball State University, University of Wisconsin Graduate School of Banking, Executive Vice President/COO Mutual Federal Savings Bank 2002-2003, VP Administration Mutual Federal Savings Bank 2001-2002.

John H. Bowles, Senior Vice President Mutual Federal Savings Bank Investment Management & Private Banking Division 2004-present, born 1945, Ball State University '67, ABA Trust & Wealth Management School., President Muncie/New Castle Region Star Financial Bank prior to 2004.

7. Other Business Activities

None.

8. Other Financial Industry Activities or Affiliations

Mutual Federal Savings Bank is a federal savings bank which is its primary business.

9. Participation or Interest in Client Transactions

MFA does not act as principal or as a broker-dealer in any client securities transactions and has no interest or participation securities transaction charges. MFA does not recommend for purchase or sale any securities or investment products in which it or any related person has a financial interest without prior disclosure. MFA and/or related persons may from time to time purchase or sell for their own accounts securities that it also recommends to clients. Client transactions have priority over transactions for MFA or related persons. Orders are time-stamped when entered and executed and are reviewed by a supervisor daily.

10. Conditions for Managing Accounts

No minimum asset value or other conditions are required to start or maintain an account.

11. Review of Accounts

Investments in accounts are monitored daily. Accounts are reviewed at least monthly and reported to clients monthly or quarterly. Thomas R. Wagley, David L. Riggs and Kevin A. Carey are the reviewers. The reports include a listing of portfolio investments and values, comments on the financial markets in general and comments on the particular portfolio including investment performance.

12. Investment or Brokerage Discretion

In most cases MFA is given authority by the client to determine the securities to be bought or sold and the amount of securities to be bought or sold based on guidelines set forth in the investment policy statement without obtaining specific client consent on each individual transaction. MFA does not determine the broker/dealer to be used; however, opening and maintaining a brokerage account through the broker/dealer MFA suggests is essential to providing the advisory and management services offered.

13. Additional Compensation

MFA and related persons receive no additional compensation other than the fees mentioned above in connection managing client accounts. MFA has an arrangement by which it directly compensates NASD registered representatives working in other divisions of Mutual Federal Savings Bank for referring clients to it. The compensation may be a percentage of the advisory fee.

14. Other

MFA does not take custody of client funds or securities and does not require prepayment of more than \$500 in fees per client 6 or more months in advance.



Formerly Wagley Investment Advisors, Inc.

Mutual Financial Advisors

formerly Wagley Investment Advisors, Inc.

Form ADV Part II Disclosure Brochure

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Form ADV Part 2 Disclosure Brochure

Registrant's Primary Business Name:
Mutual Financial Advisors

Registrant's Legal Name:
Mutual Federal Savings Bank
CRD # 121823