

**Item 1 – Cover Page**

**ML&R Wealth Management, LLC**

401 Congress Avenue, Suite 1100

Austin, TX 78701

(512) 370-3200

[www.mlrwm.com](http://www.mlrwm.com)

March 18, 2014

This Brochure provides information about the qualifications and business practices of ML&R Wealth Management, LLC (“ML&R WM”). If you have any questions about the contents of this Brochure, please contact us at (512) 370-3200. 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.

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

Additional information about ML&R WM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for ML&R WM is 109359.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The last update of our brochure was March 18, 2014 and did not include any material changes.

Historical Changes Made to our Brochure:

November 11, 2013

- Item 10 has been updated to reflect the removal of ML&R's relationship with Personnel Solutions.

(Brochure Date: 03/18/2014)

(Date of Most Recent Annual Updating Amendment: 03/18/2014)

Currently, our Brochure may be requested by contacting Stuart Smith, the Chief Compliance Officer, at (512) 370-3200.

Additional information about ML&R WM is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with ML&R WM who are registered, or are required to be registered, as investment adviser representatives of ML&R WM.

### Item 3 -Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes.....	ii
Item 3 -Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	4
Item 6 – Performance-Based Fees and Side-By-Side Management .....	7
Item 7 – Types of Clients .....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9 – Disciplinary Information .....	10
Item 10 – Other Financial Industry Activities and Affiliations .....	10
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	11
Item 12 – Brokerage Practices .....	12
Item 13 – Review of Accounts .....	14
Item 14 – Client Referrals and Other Compensation .....	14
Item 15 – Custody.....	15
Item 16 – Investment Discretion.....	16
Item 17 – Voting Client Securities .....	16
Item 18 – Financial Information.....	16
Brochure Supplements (included only in delivery to clients)	

## **Item 4 – Advisory Business**

ML&R WM is directly owned by the accounting firm Maxwell Locke & Ritter LLP. Steven Knebel and the other partners of the accounting firm therefore indirectly own ML&R WM, which has been providing advisory services since 1997. ML&R WM operated as a predecessor company under common ownership from 1997 to 2000.

As of December 31, 2013, ML&R WM managed \$518,741,117 of regulatory assets under management on a discretionary basis, \$25,173,373 of regulatory assets under management on a non-discretionary basis along with an additional \$139,191,664 in Retirement assets under advisement.

### **Investment Management Services**

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, ML&R WM develops a client's personal investment policy and creates and manages a portfolio based on that policy. ML&R WM will continuously and regularly manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

ML&R WM will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. ML&R WM will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. ML&R WM primarily recommends portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities.

Clients may impose any reasonable restrictions on ML&R WM's discretionary authority, including restrictions on the types of securities in which ML&R WM may invest client's assets and on specific securities that the client may believe to be appropriate.

ML&R WM may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds. ML&R WM will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. ML&R WM will prepare a separate Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, ML&R WM will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain ML&R WM's consent prior to the sale of any client securities.

On an ongoing basis, ML&R WM will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. ML&R WM will at least annually review client's investment policy and risk profile. ML&R WM will re-balance clients' accounts as necessary.

ML&R WM will provide to the third party investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

### **Pension Consulting Services:**

ML&R WM's Pension Consulting Services is comprised of two distinct components, which will typically be offered in conjunction with each other, but may be offered separately:

1. Portfolio Composition Consulting
2. Retirement Plan Consulting

While the primary clients for these services will be participant-directed pension, profit sharing and 401(k) plans, ML&R WM will also offer these services, where appropriate, to individuals and trusts, estates, charitable organizations or other types of retirement plans.

#### **1. Portfolio Composition Consulting:**

Within this component ML&R WM will recommend investments and model portfolios to plan sponsors, who in turn will provide the recommendations to employees and participants. ML&R WM will review various investments, consisting of mutual funds (both index and managed), individual equities, and bonds determined appropriate. The number of investments to be recommended will be determined by the client, based on the plan's Investment Policy Statement.

## **2. Retirement Plan Consulting:**

ML&R WM provides different advisory services (as detailed below) separately or in combination for Retirement Plan Consulting clients. Clients may choose to engage ML&R WM for any combination of the services below.

- a) *Investment Policy Statement ("IPS") Preparation:* ML&R WM will meet with the client (in person or over the telephone) to determine the client's investment needs and goals. ML&R WM will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.
- b) *Investment Performance Monitoring:* Client investments will be monitored based on the procedures and timing intervals delineated in the Investment Policy Statement. For nondiscretionary clients, ML&R WM will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate. For discretionary clients, ML&R WM may rebalance model portfolios or substitute investment options available to plan participants by directly instructing the administrator or custodian to effect such changes.
- c) *Employee Communications:* For pension, profit sharing and 401(k) plan clients wherein there are individual accounts with participants exercising control over assets in their own account ("self-directed plans"), ML&R WM also provides periodic educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by ML&R WM and the client.

### **Consulting:**

ML&R WM also provides advice in the form of financial consultations. This hourly service consists of consultations based on specific investment and financial concerns of the client. Consulting services may include, for example, assistance with establishing and implementing a simplified employee pension plan, preparation or review of an investment policy statement, the compilation of reports on various investment accounts, and asset allocation recommendations.

The scope and depth of the consultation varies depending on the client's particular circumstances and needs.

## Item 5 – Fees and Compensation

### Investment Management Services

The annual fee charged for Investment Management Services is based on a percentage of assets under management as follows:

Assets under Management	Annual Fee (%)
First \$1,000,000	1.00%
\$1,000,001 to \$3 million	0.90%
\$3,000,001 to \$5 million	0.80%
Over \$5 million	Negotiable

Clients will be invoiced quarterly in arrears. Clients will be invoiced based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which ML&R WM calculates fees may vary from account custodial statements based on independent asset valuations and other accounting variances, including mechanisms for including accrued interest in account statements), of the client's account at the end of the previous quarter.

Accounts for members of the client's family (spouse and dependent children) and/or related businesses (non-fiduciary status accounts) may be accepted and assessed fees based on the total balance of all related accounts.

Under certain circumstances, ML&R WM may charge a negotiable rate of \$250.00 per hour for portfolio management services.

ML&R WM may include tax preparation and other non-advisory accounting services with its portfolio management service. The accounting services will be provided by Maxwell Locke & Ritter LLP, an affiliated accounting firm. ML&R WM will then pay Maxwell Locke & Ritter LLP for its accounting services provided to each client.

**Pension Consulting Services:**

1) Fees for Pension Consulting Services will be charged as follows:

Assets	Annual Fee (%)
First \$1,000,000	0.90%
\$1,000,001 to \$3 million	0.65%
\$3,000,001 to \$5 million	0.40%
Over \$5 million	Negotiable

2) Fees for Retirement Plan Consulting services may be charged at an hourly rate of \$200/hour to \$340/hour. An estimate for total hours will be determined at the start of the advisory relationship.

Up to 50% of the estimated Pension Consulting fee may be due upon signing the advisory agreement, with the balance due upon completion of the pension consulting service (or as earned).

**Consulting:**

Fees for consulting services will be billed at an hourly rate of \$250 per hour. There is no minimum fee required for this service. Fees are due and payable as incurred. ML&R WM may agree with clients to charge fixed fees for consulting. Based on the task(s) to be performed, ML&R WM and the client may agree on a fixed fee based on an estimate of the number of hours necessary for completion. ML&R WM may request a deposit for consulting services.

**Additional Information**

All fees, including the application of the minimum annual fee for portfolio management services, may be negotiable.

ML&R WM will request authority from Portfolio Management and Pension Consulting clients to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to ML&R WM, which may be delegated to BAM, to withdraw fees from the account. Certain third party



administrators may calculate and remit ML&R WM's fees from such accounts. Hourly charges will be invoiced directly to clients for amounts owing.

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination, ML&R WM may invoice clients for any periods not previously billed on a pro rata basis, or will refund any collected, unearned fees.

All fees paid to ML&R WM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of ML&R WM. In that case, the client would not receive the services provided by ML&R WM which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by ML&R WM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

ML&R WM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to ML&R WM's fee, and ML&R WM shall not receive any portion of these commissions, fees, and costs. See Item 12 for further information about brokerage practices.

ML&R WM has contracted with BAM Advisor Services, LLC ("BAM"), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. ML&R WM has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. ML&R WM pays a fee for BAM services based on management fees paid to ML&R WM on accounts that use BAM Advisor Services. The fee paid by ML&R WM to BAM consists of a portion of

the fee paid by clients to ML&R WM and varies based on the total client assets administered through BAM Advisor Services. These fees are not separately charged to advisory clients.

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

ML&R WM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

ML&R WM provides services for individuals, high net worth individuals, qualified and unqualified retirement plans, charitable organizations, partnerships, limited liability companies and corporations.

ML&R WM requires a minimum annual fee of \$10,000 for portfolio management services. To the extent that a client's combined account values therefore do not amount to \$1,000,000 the fee charged the client will be greater than 1.00% of the assets under management. Client accounts with balances of \$500,000 would be charged a 2.00% fee to the extent the minimum annual fee were applied. Application of the minimum annual fee to total account values below \$500,000 will be restricted.

A minimum account size of \$400,000 is required for fixed income portfolio management services.

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

### *Methods of Analysis and Investment Strategy*

ML&R WM's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. ML&R WM's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. ML&R WM recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. ML&R WM selects or recommends to

clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, ML&R WM's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. ML&R WM's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that ML&R WM's strategy seeks to minimize.

In the implementation of investment plans, ML&R WM therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. ML&R WM may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and ML&R WM may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

ML&R WM's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

ML&R WM receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). ML&R WM utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to ML&R WM.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, ML&R WM relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, ML&R WM may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis

- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

### *Risk of Loss*

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by ML&R WM may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in ML&R WM's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by ML&R WM may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ML&R WM or the integrity of ML&R WM's management. ML&R WM has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

The officers of ML&R WM are also officers of Maxwell Locke & Ritter LLP ("Maxwell, LLP"), an accounting firm and owner of ML&R WM.

Sam Bryant, an investment advisory representative of ML&R WM, is the owner of Bryant Wealth Investment Group LLC ("BWIG") and spends approximately 85% of his time on non-ML&R WM advisory activities. In his own capacity as owner of BWIG, Mr. Bryant may receive commissions from the sale of insurance and real estate products. ML&R WM does not receive any compensation or income as a result of Mr. Bryant's activities.

Maxwell Locke & Ritter LLP may recommend ML&R WM to accounting clients in need of advisory services. ML&R WM may recommend Maxwell Locke & Ritter LLP to advisory clients in need of accounting services. No ML&R WM client is obligated to use Maxwell Locke & Ritter LLP for any accounting services.

ML&R WM may include tax preparation and other non-advisory accounting services with its portfolio management service. Clients interested in this combined service will have the fees for the tax preparation and other accounting services combined with the portfolio management fee. The accounting services will be provided by associates of Maxwell Locke & Ritter LLP.

The officers of ML&R WM are also affiliated with ML&R Financial Services, LLC, an insurance agency solely established for the purpose of recommending third-party insurance providers to persons in need of insurance products. As such, ML&R Financial Services, LLC will be able to share in separate, yet customary, insurance commission compensation resulting from successful referrals of advisory clients.

ML&R WM shares office space, support staff and office supplies with Maxwell Locke & Ritter LLP.

### BAM Advisor Services, LLC

As described above in Item 4, ML&R WM may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. ML&R WM selects BAM Advisors Services, LLC for such fixed income management. ML&R WM also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. ML&R WM has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of ML&R WM continuously makes this assessment. While ML&R WM has a contract with BAM Advisor Services, LLC governing a time period for back office services, ML&R WM has no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

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

ML&R WM has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. ML&R WM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth ML&R WM's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with ML&R WM may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of ML&R WM that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, ML&R WM requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. ML&R WM also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

ML&R WM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. ML&R WM

requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

ML&R WM will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## **Item 12 – Brokerage Practices**

ML&R WM arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, ML&R WM participates in the Schwab Advisor Services ("SAS") program offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), and the Fidelity Institutional Wealth Services (FIWS) program, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"). Schwab and Fidelity are FINRA member broker dealers.

Clients in need of brokerage and custodial services will have Schwab or Fidelity recommended to them. ML&R WM regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to ML&R WM's service arrangements and capabilities, and ML&R WM may not accept clients who direct the use of other brokers. As part of the programs, ML&R WM receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

ML&R WM does not have the discretionary authority to select the broker to use for client transactions, nor to determine the commission rates to be paid. As such, clients must direct ML&R WM to use a particular broker for all trades. In directing ML&R WM to use a particular broker or dealer, it should be understood that ML&R WM will not have the authority to negotiate commissions, and best execution may not be achieved. In addition, under these circumstances, a disparity in commission charges may exist between the commissions charged to other clients. Not all investment advisers require clients to direct the use of specific brokers.

For fixed income portfolios and transactions, clients provide discretionary authority to select broker dealers to a fixed income manager retained by ML&R WM on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

Schwab does not charge clients a custody fee and is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While ML&R WM will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

When trading client accounts, errors may periodically occur. ML&R WM does not maintain any client trade error gains. ML&R WM makes client whole with respect to any trade error losses incurred by client and caused by ML&R WM.

ML&R WM generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which ML&R WM arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an ML&R WM client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an ML&R WM client. See BAM Advisor Services, LLC Form ADV Part 2.

ML&R WM also does not have any arrangements to compensate any broker dealer for client referrals.

### **Pension Consulting Services:**

ML&R WM's pension consulting services do not include the effecting of client transactions, which are implemented by a pension plan's administrator or third party custodian. ML&R WM may recommend these service providers to clients. ML&R WM's clients must independently evaluate service providers. The factors considered by ML&R WM when making this recommendation are the third party's ability to provide professional services, ML&R WM's experience with the third party, reputation, and the party's financial strength, among other factors.

### **Consulting:**

ML&R WM's consulting services clients will be required to select their own broker-dealers and insurance companies for the implementation of advisory recommendations.



ML&R WM may recommend any one of several brokers (including but not limited to Schwab). ML&R WM's clients must independently evaluate these brokers before opening an account. The factors considered by ML&R WM when making this recommendation are the broker's ability to provide professional services, ML&R WM's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. ML&R WM's consulting services clients may use any broker-dealer of their choice.

### **Item 13 – Review of Accounts**

#### **Reviews & Reports:**

Portfolio management accounts are continuously managed. Specific account reviews are performed quarterly by the assigned adviser associate. The review process will include assessing client goals and objectives, evaluating the employed strategy, and addressing the need to rebalance the portfolio. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, an imbalance in a portfolio asset allocation, or the market, political or economic environment. Quarterly performance reports are provided to portfolio management clients indicating internal rate of return and holdings/asset allocation information.

Pension consulting accounts are reviewed as per contractual and investment policy terms. Pension consulting clients may receive various reports from ML&R WM or administrators as agreed upon.

Consulting clients may or may not contract for ongoing period account reviews, or reports.

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

As indicated under the disclosure for Item 12, SAS and FIWS each respectively provide ML&R WM with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit ML&R WM but may not benefit its clients' accounts. Many of the products and services assist ML&R WM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade executions, provide research, pricing information and other market data, facilitate payment of ML&R WM's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client

reporting. Many of these services generally may be used to service all or a substantial number of ML&R WM's accounts. Recommended brokers also make available to ML&R WM other services intended to help ML&R WM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. ML&R WM does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, ML&R WM endeavors to act in its clients' best interests, ML&R WM's requirement that clients maintain their assets in accounts at SAS or FIWS may be based in part on the benefit to ML&R WM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

The benefits received through participation in the SAS and FIWS programs do not depend upon the amount of transactions directed to, or amount of assets custodied by, the respective broker custodians.

ML&R WM also receives software from DFA, which ML&R WM utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for ML&R WM personnel. These services are designed to assist ML&R WM plan and design its services for business growth.

ML&R WM has arrangements to compensate third parties for the referral of certain clients. Clients who have been referred subject to any such referral arrangements will have received disclosure at the start of the advisory relationship detailing the fees paid to the referring third party. The payment of such fees does not increase the fees that clients pay to ML&R WM.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. ML&R WM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

For discretionary Portfolio Management Services, ML&R WM requires that it be provided with written authority to determine which securities and the amounts of securities that are to be bought or sold.

Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, ML&R WM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. However, ML&R WM may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ML&R WM's financial condition. ML&R WM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.