

Item 1 – COVER PAGE

## MCMURREY INVESTMENT ADVISORS LLC

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(We do not maintain a web site)

PART 2A OF FORM ADV

March 31, 2014

**This brochure provides information about the qualifications and business practices of McMurrey Investment Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 713-238-3100. 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 McMurrey Investment Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

The registration of McMurrey Investment Advisors LLC as an investment adviser with the United States Securities and Exchange Commission and various state securities authorities does not imply any level of skill or training.

## Item 2 – MATERIAL CHANGES

This brochure for McMurrey Investment Advisors LLC, which is Part 2A of our Form ADV, was prepared in response to the requirements of the United States Securities and Exchange Commission (“SEC”). The last annual update of this brochure was submitted on March 27, 2013. We are now amending our brochure to change Items 4 and 17 to indicate that we do now vote client proxies if a client specially requests that we do so. Item 17 summarizes our proxy voting policies and indicates that a copy of such policies may be obtained from our President. Also, a client may request information regarding how the client’s securities were voted by contacting our President.

In addition, we are now amending our brochure to change Item 4 to discuss our new policies with respect to concentrations in a single industry, namely, the energy industry, as a result of our decision to purchase master limited partnership interests in lieu of bonds in many accounts. We are also amending Item 4 to discuss our dependence on Marvin McMurrey. We are amending Item 5 to discuss holdings on a non-fee paying basis in some accounts of securities accumulated through employment or inheritance. We are also amending Item 12 to describe more fully certain aspects of our brokerage practices, namely, the selection for brokerage transactions of brokers and dealers who provide us with research and situations in which a client has selected a broker on a fixed quarterly percentage fee basis.

Filing Date: March 31, 2014.

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## Item 4 – ADVISORY BUSINESS

### WHO WE ARE:

McMurrey Investment Advisors LLC (the “Company”) is a Texas Limited Liability Company that provides investment supervisory services (defined as the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client) to institutions, pension and profit sharing plans, corporations, trusts, estates, charitable organizations, and individuals on a discretionary or non-discretionary basis with respect to equity, balanced, or fixed income portfolios, in conformance with guidelines and goals provided by the client. The Company was formed on November 9, 1998. The Company has engaged in business as an investment adviser since June 25, 2008, but its sole member and owner, Marvin H. McMurrey, Jr., has been associated with or a principal of various firms engaged in the investment advisory business for more than 45 years.

### HOW WE OPERATE:

The Company’s primary goal is to achieve client objectives by providing consistently attractive rates of return while minimizing risk. The Company offers advice on equity securities, including exchange-listed securities and securities traded over-the-counter, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, United States government securities, options contracts on securities, interests in partnerships investing in real estate and oil and gas interests and interests in publicly traded master limited partnerships.

As a general policy, the Company will not invest more than 10% of an account in a particular security. We may hold as much as 60% of an account in a particular industry when the President of the Company believes in his best judgment that the market conditions justify such an investment strategy. While there is risk in such a concentration, there may be in appropriate circumstances greater risk in making investments in other industries. As an example, the President of the Company currently believes that there is considerable likelihood that interest rates will rise in the near future making bonds and bond funds unattractive at the present time. As a result, the Company has been increasing its clients’ holdings of master limited partnership interests which the President of the Company believes are currently quite attractive. As many of these securities are issued by companies that are in the energy industry and the Company already had substantial positions in the energy industry, the percentage of client accounts invested in the energy industry is currently quite high. The President believes that this is the best investment strategy to follow currently, even though it is risky.

### COMPANY IS NOT A GUARANTOR:

The Company makes an effort to consider risks associated with investing. These include, but are not limited to, liquidity, volatility, credit, take-over valuation, operational and market risk. However, the Company makes no representation that it can protect a client from any or all risks associated with investing. The Company is not a guarantor of value or performance and, except for negligence or malfeasance or violation of applicable law, neither the Company nor any of its members, officers, directors, or employees shall be liable for any action performed or omitted to

be performed or any errors of judgment in managing the account. Nothing herein shall in any way constitute a waiver or limitation on any rights that a client may have under federal and state law.

A client is responsible for informing the Company of all applicable statutory and regulatory provisions governing the client's investments.

#### SERVICE TO CLIENTS:

Portfolio objectives are carefully established with each client through meetings and discussions between Company personnel and client representatives and, once established, are rigorously followed. Clients may impose restrictions on investing in certain securities or types of securities. Each portfolio manager handles a limited number of accounts, allowing for continuous active management with frequent reviews by the portfolio manager and his or her back-up. Periodic meetings with clients are encouraged, and each portfolio manager is available for telephone consultation at any time. Clients are provided with quarterly or interim reports showing various costs, market value, and performance statistics for securities held in their portfolio.

#### PROXIES:

Ordinarily, the Company does not vote proxies on behalf of clients. Ordinarily, all proxy materials received on behalf of a client account are sent directly to the client or a designated representative of the client that is responsible for voting the proxy. However, the Company may agree to vote proxies for a client if the client specially requests that the Company do this. See Item 17 – Voting Client Securities.

#### ASSETS UNDER MANAGEMENT:

As of the close of business on March 26, 2014, the Company had an aggregate of \$359,759,465 of regulatory assets under management, of which \$263,675,736 were managed on a discretionary basis, and the remaining \$96,083,729 were managed on a non-discretionary basis.

#### DEPENDENCE ON MARVIN MCMURREY

The investment advice that we provide is largely provided by our President Marvin H. McMurrey, Jr. Although the Company is seeking to employ another high quality investment professional, at the present time the employees of the Company other than Mr. McMurrey do not have his strength as an investment professional. If anything were to happen to Mr. McMurrey so that he would be unable to continue to serve the clients in his current manner, the Company will notify the clients of this fact. The clients may under such circumstances wish to take action to engage a different investment manager to provide investment advisory services for their accounts.

## Item 5 – FEES AND COMPENSATION

The Company charges a quarterly fee for its services as an investment adviser. This fee is charged after the end of each calendar quarter for services rendered during the preceding quarter as follows:

(1) The quarterly fee is payable on the first business day of each calendar quarter for services provided during the previous calendar quarter.

(2) The quarterly fee is based on the total value of the assets including cash, at the closing price on the last business day in the calendar quarter. Custodial statements may not disclose the cost of investing idle cash in money market type securities since money market funds are quoted on a net yield basis; any such charges will be in addition to fees charged by the Company.

### a. ERISA or NON-ERISA – Balanced and Equity Accounts

% of Fee	Value of Assets Managed
1.0%	on the first \$2.0 million
.75%	on the next \$3.0 million
.50%	on the next \$3.0 million
.35%	thereafter

### b. ERISA or NON-ERISA – Fixed Income Accounts

% of Fee	Value of Assets Managed
.45%	on the first \$1.5 million
.35%	over \$1.5 million

Client considerations may result in negotiated fees.

Assets deposited in the account for any fee period will be charged a pro rata fee based upon the proportion of the number of days remaining in the fee period compared to the total number of days in the fee period.

A client may terminate its investment adviser contract with the Company any time upon 30 days written notice and upon payment to the Company of all unpaid fees then due.

With advance approval by clients of such arrangements the Company will arrange for its fees to be deducted from client's assets and paid directly by the custodian to the Company. In the alternative, clients may arrange to be billed for fees by the Company. Any fees charged by the custodian or broker who maintains custody of the client's account will be paid by the client. If a mutual fund, including a money market mutual fund, in which the client's account is invested charges a fee or expense, such fees and expenses will be borne by the client.

With respect to some clients, we have agreed to hold certain stock holdings in their accounts on an unmanaged, non-fee paying basis. Usually, these are larger positions of one or a few issuers

that were accumulated by the client as a result of longstanding employment or an inheritance. From time to time, the client may ask our advice regarding the desirability of continuing to maintain the holding. In such a situation, we will endeavor to provide our most objective advice taking into account the client's personal position and circumstances; however, we have a possible conflict of interest in giving this advice because it is likely that if the securities were sold, their value would be added to the account, thereby increasing the fees that we might receive thereafter. Clients should be aware of this possibility of conflict. In such a situation, we will not trade the securities in our discretion; we will insist that the client independently agree with our sale recommendation before the securities are sold. A client should not agree to our sale recommendation until after the client has considered our possible conflict of interest in the matter.

#### Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither the Company nor any of its supervised persons accepts or charges performance-based fees (i.e., fees based upon a share of capital gains on or capital appreciation of the assets of a client).



## Item 7 – TYPES OF CLIENTS

More than one-half of the Company's clients are individuals, including high net worth individuals (defined as an individual with at least \$1,000,000 managed by the Company, or whose net worth the Company reasonably believes exceeds \$2,000,000 (excluding the value of such individual's home), or who is a "qualified purchaser" as defined in section 2(a) (51) (A) of the Investment Company Act of 1940. The Company also has clients that are pension or profit sharing plans, charitable organizations, corporations or other businesses and trusts and estates.

## Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Company's security analysis methods include fundamental analysis, cyclical analysis, technical analysis and charting. The main sources of information that the Company uses include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, and issuer press releases. The investment strategies used to implement any investment advice given to clients include long term purchases (securities held for at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), margin transactions, and option writing, including covered options, uncovered options or spreading strategies.

Clients should understand that investing in securities involves substantial risk of loss and clients should be prepared for the possibility that their accounts could suffer substantial losses. Clients should be prepared for the possibility that their accounts will have to bear such losses. For further discussions on risk see Item 4 – Advisory Business – Section: Company Is Not a Guarantor.

Although all of the methods of analysis and investment strategies and techniques described above are used by the Company, the Company primarily relies on fundamental analysis and generally holds securities for the long term (more than one year). Clients should understand that all securities fluctuate in value over time and often tend to perform in accordance with the overall performance of the United States economy and the United States securities markets. Although client portfolios are diversified, often in times of severe economic difficulty all types of securities tend to decline at the same time.

## Item 9 – DISCIPLINARY INFORMATION

There have been no legal or disciplinary events with respect to the Company or its employees.

## Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither the Company nor any of its management persons is actively engaged in a business other than giving investment advice. Management persons of the Company do invest for their personal accounts in some of the same securities in which client accounts are invested. The Company follows policies that have been established to provide preference to clients with respect to the trading of such securities. See Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Neither the Company nor any of its management persons sells products or services other than investment advice to clients.

Neither the Company nor any management person of the Company is registered (or has an application pending) as a securities broker-dealer or a registered representative of a broker-dealer. Neither the Company nor any management person of the Company is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser or an associated person of any of the foregoing entities.

There are no arrangements that are material to the advisory business of the Company or its clients with any related person of the Company who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other pooled investment vehicle, unit investment trust, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or any entity that creates or packages limited partnerships.

The Company does not recommend or select other investment advisers for clients.

## Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Code of Ethics of the Company requires that all management persons and employees of the Company and all members of their respective families under their influence shall refrain from selling for their respective own accounts securities that are held by clients of the Company until all presently desired sales for clients of the Company with respect to such securities have been effected. The Code of Ethics of the Company also requires that all management persons and employees of the Company and all members of their respective families under their influence shall refrain from margin transactions, short sales, purchasing or selling options (including puts and calls), or purchasing and selling the same securities within a period of less than thirty days. The Company will provide its Code of Ethics and Personal Trading Policy to any client or prospective client upon request.

The core principles of the Code of Ethics of the Company include the following:

- (1) The interests of clients will be placed ahead of the investment interests of the Company, all management persons and all employees.
- (2) Employees and management persons are expected to conduct their personal securities transactions in accordance with the Company's Personal Trading Policy and are to strive to avoid any actual or perceived conflict of interest with the clients.
- (3) Employees and management persons are expected to act in the best interest of each client.
- (4) Employees and management persons are expected to comply with federal and state securities laws.

The Company and its employees and management persons and related persons to such persons may occasionally buy for their personal account securities that the Company is currently recommending and purchasing for its advisory clients. Care is taken that the acquisition and disposition of such securities for the Company and its employees and management persons and related persons are handled in such a manner that clients receive preferable execution.

In compliance with Rule 204-2(a)(12) of the Investment Advisers Act of 1940, all such transactions are reported on quarterly stock transaction report forms within thirty days of the close of each fiscal quarter.

It is the intent of the Company that the client's interest is to prevail. As general rules to affect this intent, unless precluded by the circumstances, the following restrictions are observed:

- (1) Associated persons of the Company are prohibited from engaging in personal investment transactions in anticipation of portfolio acquisitions or sales;
- (2) Individual sales and purchases of securities recommended to clients are to be made after client's transactions are concluded or recommended; and
- (3) Quarterly reports are required and maintained pursuant to Rule 240-2(a) (12).

## Item 12 – BROKERAGE PRACTICES

Generally, the Company is retained on a discretionary basis and authorized to determine and direct execution of portfolio transactions within the client's specified investment objectives without consultation with its client on a transaction-by-transaction basis. The Company prefers to select broker-dealers to execute portfolio transactions and generally, the client leaves that selection to the Company. Occasionally, a client may direct the use of a particular broker-dealer to execute portfolio transactions. Some clients limit discretionary authority in terms of type or amount of securities to be bought or sold, the broker-dealer to be used, or the commission rates to be paid. Some clients retain the Company on a non-discretionary basis, requiring the portfolio transactions be discussed in advance and executed at the client's directions.

The Company's overriding objective in the selection of broker-dealers is to obtain the best combination of price and execution. Best price, giving effect to brokerage commission if any, and other transaction costs, is normally an important factor in this decision; but the selection also takes into account the quality of brokerage services, including such factors as execution capability, willingness to commit capital, financial stability, and clearance and settlement capability. If the broker-dealer is also expected to provide custodial services, then the quality and cost of these services is considered as a factor in selecting the broker-dealer. Accordingly, transactions will not always be executed at the lowest available commission.

Often, the Company recommends that a client use Fidelity Investments as custodian for client assets because the Company believes that Fidelity Investments satisfies the objectives discussed above. However, from time to time, the Company does recommend the use of another broker-dealer or a bank or trust company as custodian. In making such recommendations, the Company considers the broker-dealer's execution, clearance and settlement capabilities, whether the broker-dealer offers insurance in excess of the insurance afforded by the Securities Investor Protection Corporation, the convenience of the broker-dealer, bank or trust company to the client, the Company's knowledge of the broker-dealer's willingness to negotiate commission rates, the services provided by and charges of the broker-dealer or the bank or trust company, and other relevant matters. The Company may cause a client's account to pay an amount of commission for effecting a securities transaction in excess of the amount of commission another member of an exchange, broker, or dealer would have charged for effecting such transaction if the Company in good faith determines that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by the member of an exchange, broker or dealer charging the commission viewed in terms of either the particular transaction or the Company's overall responsibilities with respect to the accounts as to which the Company exercises investment discretion as permitted by Section 28(e) of the Securities Exchange Act of 1934.

The Company sometimes selects a broker-dealer that furnishes it research, including: research reports on companies, industries and securities; economic and financial data; financial publications; computer data bases; quotation equipment and services; and research-oriented computer hardware; software and services. Such research furnished by broker-dealers may be used in servicing any or all of the clients of the Company and may be used in connection with accounts other than those that pay commissions to the broker-dealer providing the research. The Company is not obligated to select any particular broker or dealer to effect brokerage

transactions except for those instances in which the client has directed the Company to use a particular broker. Accordingly, the Company selects brokers and dealers considering its policies of seeking to obtain the best combination of price and execution and not as a result of research furnished. Often the Company selects the custodian or trustee holding the securities to effect the brokerage transaction because of the convenience of using such custodian or trustee. This will be done unless for some reason the Company believes that the charge of such custodian or trustee will be excessive for the circumstances.

If a client directs the use of a particular broker-dealer, the Company asks that the client also specify (1) the general types of securities for which the designated firm should be used and (2) whether the designated firm should be used for all transactions, even though the Company might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. The Company further requires that a client designating the use of a particular broker-dealer acknowledges that the custodial, monitoring, and/or consultant related services received from the registered broker-dealer will be used exclusively and solely for the benefit of the account and shall not constitute or cause the account to violate Section 28(e) of the Securities Exchange Act of 1934 or cause the account to be engaged in a “prohibited transaction” as defined in the Employee Retirement Income Security Act of 1974, as amended. A client who designates use of a particular broker-dealer, including a client who directs use of a broker-dealer who will also serve as custodian (whether or not recommended by the Company) should consider whether, under that designation, commission expenses, execution, clearance, and settlement capabilities, and whatever amount is regarded as allocable to custodian fee, if applicable, will be comparable to those otherwise obtainable by the Company. A client who designates use of a particular broker-dealer should understand that it will lose the possible advantage that non-designating clients derive from aggregation of orders for several clients as a single transaction for purchase or sale of a particular security.

In a few cases, a client has entered into an agreement with a broker to pay a quarterly percentage fee to cover the cost of brokerage for all transactions for the client’s account. This type of brokerage arrangement can be advantageous in accounts in which there is a great deal of trading and expensive in accounts in which there is not much trading.

McMurrey Investment Advisors LLC has entered into a Solicitation and Referral Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) and Managed Account Advisors LLC (“MAA”), both of which are wholly owned subsidiaries of Bank of America Corporation, pursuant to which the Company has the right to be compensated if it solicits or refers to Merrill Lynch or MAA persons who enroll in one of certain specified investment advisory services or programs offered by Merrill Lynch or MAA, including, but not limited to, the Merrill Lynch Advisory Portfolios® Program, and the Financial Foundation® Report. Pursuant to such agreement, the Company has solicited and referred one or more clients or former clients of the Company to Merrill Lynch and the Company may solicit or refer other clients or former clients of the Company to Merrill Lynch or MAA in the future.

The fee paid to the Company pursuant to such agreement is paid from investment advisory fees received and retained by Merrill Lynch relating to the accounts solicited and referred. For the investment advisory services and programs covered by the agreement, the amount to be paid is equal to 20% of that portion of the investment advisory fee ordinarily credited to the Merrill

Lynch financial advisors servicing the solicited and referred accounts. Merrill Lynch will pay this fee to the Company from the date the account is established in such service or program for so long as the account remains enrolled in such service or program and the agreement between the Company, Merrill Lynch and MAA remains in effect. If Merrill Lynch or MAA terminates the agreement for a reason not involving a breach by the Company or any of its representatives, Merrill Lynch may continue to pay the Company for a maximum of 24 months after termination. Merrill Lynch may pay the Company a one-time fee of \$100 if Merrill Lynch prepares a Financial Foundation® Report. Merrill Lynch will not increase the fees payable by the client or former client as a result of its payments to the Company. The fees charged by Merrill Lynch or MAA will not be higher than the usual fees charged by them.



### Item 13 – REVIEW OF ACCOUNTS

A review of investments and portfolio strategy is made continuously. This review is done with regard to economic overview, industry sectors and particular securities. Specific attention is paid to securities having a significant fundamental change in outlook or where technical analysis indicates that a major change is occurring. Further review of specific portfolios occurs when such review is indicated. Each account is reviewed for conformation to investment policy as well as specific client portfolio constraints. All reviews are performed by Marvin H. McMurrey, Jr., President and Portfolio Manager.

A portfolio report is provided to each client after the end of each calendar quarter. This report sets forth the status of the holdings in the client's portfolio. In addition, an Economic and Market Review is prepared and provided to each client quarterly. Reports of more frequent nature in the client's portfolio are provided to ERISA accounts, where required.

#### Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION

McMurrey Investment Advisors LLC has entered into a Solicitation and Referral Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) and Managed Account Advisors LLC (“MAA”), both of which are wholly owned subsidiaries of Bank of America Corporation, pursuant to which the Company has the right to be compensated if it solicits or refers to Merrill Lynch or MAA persons who enroll in one of certain specified investment advisory services or programs offered by Merrill Lynch or MAA, including, but not limited to, the Merrill Lynch Advisory Portfolios® Program, and the Financial Foundation® Report. Pursuant to such agreement, the Company has solicited and referred one or more clients or former clients of the Company to Merrill Lynch and the Company may solicit or refer other clients or former clients of the Company to Merrill Lynch or MAA in the future.

The fee paid to the Company pursuant to such agreement is paid from investment advisory fees received and retained by Merrill Lynch relating to the accounts solicited and referred. For the investment advisory services and programs covered by the agreement, the amount to be paid is equal to 20% of that portion of the investment advisory fee ordinarily credited to the Merrill Lynch financial advisors servicing the solicited and referred accounts. Merrill Lynch will pay this fee to the Company from the date the account is established in such service or program for so long as the account remains enrolled in such service or program and the agreement between the Company, Merrill Lynch and MAA remains in effect. If Merrill Lynch or MAA terminates the agreement for a reason not involving a breach by the Company or any of its representatives, Merrill Lynch may continue to pay the Company for a maximum of 24 months after termination. Merrill Lynch may pay the Company a one-time fee of \$100 if Merrill Lynch prepares a Financial Foundation® Report. Merrill Lynch will not increase the fees payable by the client or former client as a result of its payments to the Company. The fees charged by Merrill Lynch or MAA will not be higher than the usual fees charged by them.

From time to time, brokers, dealers, or other persons may refer clients or prospective clients to the Company on an informal basis. The Company does not pay fees or other compensation for these informal referrals. Furthermore, the Company does not select brokers or dealers to execute portfolio transactions solely on the basis that they have referred clients or prospective clients to the firm. See Item 12 – BROKERAGE PRACTICES for a discussion of brokerage practices followed by the Company.

## Item 15 – CUSTODY

“Custody” means holding, directly or indirectly, client funds or securities or having authority to obtain possession of them. McMurrey Investment Advisors LLC does not hold client assets or provide custodial services. Assets of clients of our firm are held by a qualified custodian, usually a bank or brokerage firm. If the Company inadvertently receives client funds, we are required to return them to our client within three business days.

Before entering into an investment advisory agreement with McMurrey Investment Advisors LLC, you must first establish an account with a qualified custodian. If you need assistance in selecting a custodian, the firm will make suggestions, taking into consideration the cost, the perceived quality of the custodial services, and the type of securities involved as well as other factors we think may be relevant.

As a client, you should compare the quarterly portfolio report you receive from our firm with the account statements you receive from your qualified custodian. We urge you to notify us immediately if you find discrepancies. For tax purposes, the account statement you receive from your custodian is the official record of your transactions and assets.

## Item 16 – INVESTMENT DISCRETION

The Company will manage clients' assets on a fully discretionary basis, a limited discretionary basis or a non-discretionary basis. Most of our clients have granted us full discretionary authority to manage the investment of the assets in their accounts, and we prefer to manage accounts on this basis.

Before the firm may assume discretionary authority, the firm and the client must execute an investment advisory agreement. The investment advisory agreement includes:

- A statement of the firm's appointment as investment manager.
- A discussion of the duties and powers of the firm as investment manager, including discretionary authority.
- A description of the duties of the client, including advising the firm of investment objectives and any specific restrictions.
- Other pertinent information, including matters such as compensation and termination

With full discretionary authority for an account, the Company is able to do the following without obtaining the client's consent:

- Determine which securities to buy or sell
- Determine the total amount of securities to buy or sell, subject to available funds
- Determine the broker or dealer through which to buy or sell securities
- Negotiate with the selected broker regarding commission rates for securities transactions

Unless the client notifies the firm in writing of specific restrictions, the investments made on behalf of the client are considered not to be restricted. The firm manages a number of accounts with client instructions that prohibit holding certain securities or types of securities or that limit weightings in individual sectors, industries, or securities.

In certain instances, the firm's discretion to determine the broker through which client securities are bought or sold is limited due to arrangements entered into by the client or directions from the client. For example, a particular broker may have custody of a client's securities, and the client may direct the firm to use this custodial broker to purchase or sell securities in the client's account. In other instances, the client may direct the firm to give preference to one or more brokers in allocating brokerage transactions for the account. For a discussion of the firm's policies and procedures in these instances, please refer to Item 12 - Brokerage Practices.

When we provide services on a non-discretionary basis, we give the client investment advice, but we do not have the authority to implement our recommendations in the client's portfolio without the client's approval. The client may or may not follow the firm's advice. In certain non-discretionary arrangements, once the client has approved a particular transaction, the firm is authorized to place the order and select the broker to execute it. In other non-discretionary arrangements, the client places the order and selects the broker to execute the transaction.

## Item 17 – VOTING CLIENT SECURITIES

Ordinarily, the Company does not vote proxies on behalf of clients. Ordinarily, all proxy materials received on behalf of a client account are sent directly to the client or a designated representative of the client that is responsible for voting the proxy. However, the Company may agree to vote proxies for a client if the client specially requests that the Company do this.

With respect to a client that elects to have the Company vote the client's proxies, the Company shall follow its Proxy Voting Policy, a copy of which is available upon request made to the President of the Company. The Company endeavors to vote proxies in the client's best economic interest, when the responsibility for voting client proxies rests with the Company. The President of the Company shall be responsible for making determinations as to how client proxies shall be voted, although the President may delegate to others the responsibility for actual implementing of such votes. The Company will keep records of how it voted client proxies for a period of five years. Such records will be kept as required by the rules of the Securities and Exchange Commission. A client may request information regarding how the client's securities were voted by contacting the President of the Company.

In evaluating a particular proxy proposal, the Company takes into consideration, among other items:

- the Company's determination of how the proxy proposal will impact the client
- the period of time over which shares of the issuer are expected to be held in the client's portfolio
- the size of the position
- the costs involved in the proxy proposal, and
- Management's assertions regarding the proxy proposal.

The Company will generally support management's recommendations on proxy issues, since management's ability is a key factor we consider in selecting equity securities for client portfolios. The Company believes that an issuer's management should generally have the latitude to make decisions related to the issuer's business operations. However, when the Company believes an issuer's management is acting in an inconsistent manner with our client's best interests, we will vote against management's recommendations.

## Item 18 – FINANCIAL INFORMATION

The disclosures required by Item 18 do not apply to McMurrey Investment Advisors LLC. The firm is in sound financial condition, and we are confident that we can meet future contractual commitments to our clients. The firm does not require, solicit or permit prepayment of fees. Neither the Company nor any of our affiliates has ever filed a bankruptcy petition.

#### Item 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

McMurrey Investment Advisors LLC is not a state-registered adviser so these requirements are not applicable to the Company.