

## **MCADAM WRAP FEE PROGRAM**

Sponsored By

**MCADAM LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of McAdam LLC (hereinafter “McAdam” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, McAdam is required to discuss the material changes which have been made to the Wrap Brochure since McAdam's last annual update. As this is the initial version of the Wrap Brochure, there are no material changes to disclose in relation to this Item.

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## Item 4. Services, Fees and Compensation

The McAdam Wrap Program (the “Program”) is an investment advisory program sponsored by McAdam, a registered investment adviser which has been in business since October 2014.

As this document has been prepared in connection with the Firm’s initial launch, McAdam does not have any assets under management to report as of the date of this filing.

This Brochure describes the business of McAdam as it relates to clients receiving services through the Program. Certain sections also describe the activities of the Firm’s Supervised Persons, which refer to any officers, partners, directors (or other person occupying a similar status or performing similar functions), employees, or other persons who provide investment advice on McAdam’s behalf and are subject to the Firm’s supervision.

In addition to the Program, the Firm also offers financial planning, consulting and investment management services under different arrangements than those described herein. Information about these services is contained in McAdam’s Disclosure Brochure, which appears as Part 2A of the Firm’s Form ADV.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts.

Prior to receiving services through the Program, clients are required to enter into a written agreement with McAdam setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). Clients must also open a new securities brokerage account and complete a new account agreement with Charles Schwab & Co., Inc. (“Schwab”) or another broker-dealer McAdam approves under the Program (collectively “Financial Institutions”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, McAdam assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary or non-discretionary basis by either McAdam’s investment adviser representatives or an independent investment manager (collectively “Independent Managers”), as recommended or selected by McAdam. McAdam and/or the Independent Managers generally allocates

clients' assets among the various investment products available under the Program, as described further in Item 6 (below).

## **Fees for Participation in the Program**

Investment management services are offered through the Program on a fee basis, meaning that clients pay a single annualized fee based upon assets under management. The Firm also offers advisory services outside of the Program under different fee arrangements than those discussed below.

The management fee varies depending upon the size and composition of a client's portfolio and the type of services rendered and the representative providing services. The maximum fee will be based upon the following blended fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>FEE UP TO</u></b>
First \$250,000	2.65%
Next \$250,000	2.45%
Next \$500,000	1.90%
Next \$1,000,000	1.65%
Next \$3,000,000	1.65%
Next \$5,000,000	1.40%
Above \$10,000,000	1.40%

The annual fee is prorated and charged, in advance, based upon the market value of the assets being managed by McAdam on the last day of the previous billing period. While the timing of billing is negotiable and variable among clients, generally, for the initial year of services, the first fee will be for the first five months and twenty nine days. Subsequently all fees will be charged quarterly, in advance. This initial period is intended to provide McAdam with additional revenue during the more labor intensive initiation of a relationship.

Under certain engagements, the firm may adjust billing as follows: if assets in excess of \$100,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial term of the Program, the fee is calculated on a pro rata basis. In the event the Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), McAdam may negotiate a fee rate that differs from the range set forth above.

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**Fee Comparison**

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A portion of the fees paid to McAdam are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios, as well as the fees charged by the Independent Managers engaged to provide services under the Program.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

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**Fee Discretion**

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The fee schedule above is the maximum fee that will be charged. McAdam, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and pro bono activities.

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**Fee Debit**

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The Firm's Agreement and the separate agreement with any Financial Institutions generally authorize McAdam and/or the Independent Managers to debit its clients' accounts for the amount of the Program fee and to directly remit that fee to McAdam or the Independent Managers. Any Financial Institutions recommended by McAdam have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount of Program fees paid directly to McAdam. Alternatively, clients may elect to have McAdam send them an invoice for payment.

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**Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to McAdam's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to McAdam, subject to the usual and customary securities settlement procedures. However, McAdam designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. McAdam may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

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**Other Charges**

Clients may incur certain charges imposed by third parties in addition to the Program fee. These additional charges may include fees charged by the Independent Managers, charges imposed directly by a mutual fund or exchange-traded fund (“ETF”) in the account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), 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.

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**Compensation for Recommending the Program**

McAdam has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients’ participation.

## **Item 5. Account Requirements and Types of Clients**

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**No Minimum Account Requirements**

McAdam does not impose a stated minimum fee or minimum portfolio value for participation in the Program. Certain Independent Managers may, however, impose more restrictive account requirements and varying billing practices than McAdam. In these instances, McAdam may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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**Types of Clients**

Services through the Program are offered to individuals, trusts, estates, charitable organizations, corporations, business entities, and state or municipal government entities.

## **Item 6. Portfolio Manager Selection and Evaluation**

Clients’ investment portfolios are managed either directly by McAdam or through the use of certain Independent Managers, as referenced above.

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**Portfolio Management**

McAdam manages its clients’ investment portfolios on a discretionary or non-discretionary basis.

McAdam primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, options and independent investment managers (“Independent

Managers”) in accordance with their stated investment objectives. In addition, McAdam may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage McAdam to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, McAdam directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

McAdam tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. McAdam consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify McAdam if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if McAdam determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

McAdam manages investment portfolios through the Program in substantially the same manner as those it manages outside of the Program. In return for these services, McAdam receives a portion of the fees paid for participation in the Program, as described in Item 4.

### **Use of Independent Managers**

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McAdam evaluates various information about the Independent Managers in which it recommends or selects to manage client portfolios under the Program. The Firm generally reviews a variety of different resources, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposures. McAdam also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

McAdam generally monitors the performance of those accounts being managed by Independent Managers by reviewing the account statements and trade confirmations produced by the Financial Institutions, as well as other performance information furnished by the Independent Managers and/or other third-party providers. The Firm does not verify the accuracy of any such performance information and does not ensure



its compliance with presentation standards. Clients are advised that any performance information they receive from the Independent Managers may not be calculated on a uniform and consistent basis. Clients should compare all supplemental materials with the account statements they receive from their respective custodians.

The terms and conditions under which the client engages an Independent Manager are set forth in a separate written agreement between McAdam or the client and the designated Independent Manager. In addition to this Brochure, the client also receives the written disclosure brochure of the designated Independent Managers engaged to manage their assets.

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**Side-By-Side Management**

McAdam does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

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**Methods of Analysis**

McAdam primarily utilizes a fundamental methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For McAdam, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

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**Investment Strategies**

McAdam manages client assets on a discretionary or non-discretionary basis. McAdam primarily allocates client assets among various mutual funds and exchange-traded funds ("ETFs"), as well as through a limited amount of individual debt and equity securities, and Independent Managers in accordance with their stated investment objectives.

McAdam tailors its advisory services to the individual needs of clients. McAdam consults with clients initially and on an ongoing basis to develop an investment policy statement which determines risk tolerance, time horizon and other factors that may impact the clients' investment needs. McAdam ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

## Risks of Loss

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of McAdam's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that McAdam will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and Exchange-Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by 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 a fund's stated daily per share 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 a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially 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 20,000 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.

### *Use of Independent Managers*

As stated above, McAdam may select certain Independent Managers to manage a portion of its clients' assets. In these situations, McAdam continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, McAdam generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

*Use of Private Collective Investment Vehicles*

McAdam recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

*Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

*Real Estate Investment Trusts (REITs)*

McAdam may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

**Voting of Client Securities**

McAdam does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 7. Client Information Provided to Portfolio Managers**

In this Item, McAdam is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. Clients participating in the Program generally grant McAdam the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. McAdam may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

## **Item 8. Client Contact with Portfolio Managers**

In this Item, McAdam is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with McAdam.

## **Item 9. Additional Information**

### **Disciplinary Information**

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McAdam has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

### **Other Financial Industry Activities and Affiliations**

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#### *Registered Representatives of a Broker-Dealer*

Certain of the Firm's Supervised Persons are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS") and may provide clients with securities brokerage services under a separate commission-based arrangement. A conflict of interest exists to the extent that McAdam recommends the purchase of a security and its Supervised Person receives a portion of the commissions paid to PKS. McAdam has procedures in place to ensure that all recommendations are made in the best interests of clients regardless of any additional compensation earned. For accounts covered by ERISA (and such others that McAdam, in its sole discretion, deems appropriate), the Firm provides investment advisory services on a

fee offset basis. In this scenario, McAdam may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their capacities as registered representatives of PKS.

#### *Licensed Insurance Agents*

Certain of McAdam's Supervised Persons are licensed insurance agents and in such capacity may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that McAdam recommends the purchase of insurance products where its Supervised Person receives insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

#### *Life Settlements*

The Firm or its Supervised Persons will receive fees from life settlement companies for referrals. A conflict of interest exists to the extent that McAdam refers clients and the Firm or its Supervised Persons receive compensation.

#### *Business Loans*

The Firm or its Supervised Persons will receive fees from banks or other lenders for referrals. A conflict of interest exists to the extent that McAdam refers clients and the Firm or its Supervised Persons receives compensation.

#### **Code of Ethics**

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McAdam has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. McAdam's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of McAdam's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact McAdam to request a copy of its Code of Ethics.

## **Account Reviews**

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McAdam monitors its clients' investment portfolios on a continuous and ongoing basis, and conducts regular account reviews at least quarterly. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with McAdam and to keep McAdam informed of any changes thereto. McAdam contacts ongoing investment advisory clients at least annually to review its previous services and recommendations, and to discuss the impact resulting from any changes in their financial situation and/or investment objectives.

## **Account Statements and General Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions. From time-to-time or as otherwise requested, clients in the Program may also receive written or electronic reports from McAdam and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare any supplemental reports they receive from McAdam and/or the Independent Managers with the account statements they receive from the Financial Institutions.

## **Client Referrals**

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McAdam has arrangements in place whereby the Firm provides compensation to an unaffiliated third-party for referring clients to the Program. In the event a client is introduced to McAdam by a solicitor, McAdam may pay that solicitor a referral fee in accordance with applicable laws, rules and regulations. All referral

fees are paid solely from McAdam's Program fee and do not result in any additional charges to the Firm's clients. In these situations, clients are advised of the solicitation relationship with McAdam and are provided with the appropriate Wrap Fee Program Brochure and/or Disclosure Brochure prior to or at the time the Agreement is executed. Additionally, any third-party solicitors who are not affiliated with McAdam also provide clients with a copy of the solicitor's disclosure statement containing the terms and conditions (including compensation) of the solicitation arrangement.

### **Receipt of Economic Benefit**

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McAdam may receive without cost from Schwab computer software and related systems support, which allow McAdam to better monitor client accounts maintained at Schwab. McAdam may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit McAdam, but not its clients directly. In fulfilling its duties to its clients, McAdam endeavors at all times to put the interests of its clients first. Clients should be aware, however, that McAdam's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, McAdam may receive the following benefits from Schwab:

- Up to \$110,000 in credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Firm's research, technology and software platforms;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

### ***Directed Brokerage***

The client may direct McAdam in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by McAdam (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best

execution, McAdam may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

#### *Trade Aggregation*

Transactions for each client generally will be effected independently. In limited circumstances, at the Firm's discretion, McAdam may purchase or sell the same securities for several clients at approximately the same time. McAdam may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among McAdam's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which McAdam's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. McAdam does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.



## **Financial Information**

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McAdam is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.