

# InR Advisory Services, LLC

SEC File Number: 801 – 64848

## **ADV Part 2A, Firm Brochure** **Dated: February 1, 2017**

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**This Brochure provides information about the qualifications and business practices of INR Advisory Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (610) 891-1677 or Mglackin@ inradvisors.com. 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 INR Advisory Services, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to INR Advisory Services, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

Since the previous Annual Amendment filing on March 28, 2016, this ADV Part 2A, Brochure has been materially amended throughout, and particularly at Items 5.E., 10.A., and 10.C. to reflect that InR Advisory Services, LLC's investment adviser representatives are no longer registered representatives of Cambridge Investment Research, Inc. a FINRA member broker-dealer. In addition, Item 15 has been materially amended to reflect that InR Advisory Services, LLC is no longer deemed to have "custody" of client funds or securities, and is therefore no longer subject to the associated "independent verification" requirements with respect to those accounts.

**ANY QUESTIONS: InR Advisory Services' Chief Compliance Officer, Michael Glackin, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

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#### **Item 4            Advisory Business**

- A. InR Advisory Services, LLC (“InR Advisory”) is a limited liability company formed on July 29, 2005 in the Commonwealth of Pennsylvania. InR Advisory became registered as an investment adviser in July 2005. InR Advisory’s principal owners are Michael Glackin and Thomas Babcock. Mr. Glackin is InR Advisory’s Managing Member and Chief Compliance Officer.
- B. As discussed below, InR Advisory offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, corporations or other business entities, trusts, estates, and state or municipal government entities, etc.) pension consulting and investment advisory services. InR Advisory does not hold itself out as providing financial planning, estate planning or accounting services.

#### **PENSION CONSULTING**

InR Advisory acts as a pension consultant for various pension plans, including those of municipalities. InR Advisory first determines the investment objectives and requirements that are appropriate for each plan and then recommends various prospective investment alternatives for the plan’s review and consideration including, but not limited to, mutual funds, group annuity contracts, and/or separate account managers/programs (for approval by each plan sponsor) that best fulfill the investment objectives within each investment category.

Before engaging InR Advisory, the client will be required to enter into an Investment Consulting Agreement with InR Advisory setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, the fee arrangement, and the portion of the fee that is due from the client prior to InR Advisory commencing services.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage InR Advisory to provide discretionary investment advisory services on wrap fee basis. (See discussion below). If a client determines to engage InR Advisory on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need. If the client has previously determined to engage InR Advisory on a non-wrap fee basis the client will continue to select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody) as described below.

Prior to engaging InR Advisory to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with InR Advisory setting forth the terms and conditions under which InR Advisory shall manage the client’s assets, and a separate custodial/clearing agreement with the designated broker-dealer.

## NON-WRAP FEE BASIS

If a client previously determined to engage InR Advisory to provide discretionary investment advisory services on a non-wrap, fee basis, the client may continue to engage InR Advisory on a non-wrap basis. Clients are required to enter into an Investment Advisory Agreement with InR Advisory setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

InR Advisory provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, InR Advisory will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). InR Advisory primarily allocates client investment assets among various no-load mutual fund classes and exchange traded funds ("ETFs"), on a discretionary basis in accordance with the client's designated investment objective(s). Once allocated, InR Advisory provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

## INR ADVISORY SERVICES WRAP PROGRAM

InR Advisory provides investment management services on a wrap fee basis in accordance with InR Advisory's investment management wrap fee program (the "Program"). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in the Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants. Under the Program, InR Advisory is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment advisory fees. The terms and conditions for client participation in the Program are set forth in detail in the Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Part 2A Appendix 1 of Form ADV. The Wrap Fee Program Brochure is incorporated into this Brochure by reference. All prospective Program participants should read both InR Advisory's Brochure and the Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program. TD Ameritrade ("TD Ameritrade") shall serve as the custodian for Program accounts.

Please Note: As indicated in the Wrap Fee Program Brochure, participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program Brochure, the Program fee charged by InR Advisory for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

**Wrap Program-Conflict of Interest.** Although InR Advisory has provided investment management services on a non-wrap fee in the past and certain legacy clients may still receive services from InR Advisory on a non-wrap fee basis, InR Advisory provides services on a wrap fee basis as a wrap program sponsor for new clients. Under InR Advisory's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client **more** or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in InR Advisory's Wrap Fee Program Brochure.

**Conflict of Interest.** Because wrap program transaction fees and/or commissions are being paid by InR Advisory to the account custodian/broker-dealer, InR Advisory could have an economic incentive to minimize the number of trades in the client's account. See separate Wrap Fee Program Brochure. InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest a wrap fee arrangement may create.

## MISCELLANEOUS

**No Financial Planning or Non-Investment Consulting/Implementation Services.** InR Advisory does not provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** unless specifically requested, InR Advisory will not address such issues. InR Advisory **does not** serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance brokerage services. Accordingly, InR Advisory **does not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, InR Advisory may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by InR Advisory or its representatives. **Please Note:** If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Retirement Plan Rollovers-No Obligation/Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If InR Advisory recommends that a client roll over their retirement plan assets into an account to be managed by InR Advisory, such a recommendation creates a **conflict of interest** if InR Advisory will earn an advisory fee on the rolled over assets. To the extent that InR Advisory recommends that clients roll over assets from their retirement plan to an IRA managed by InR Advisory, then InR Advisory represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974, or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by InR Advisory. InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**Use of Mutual Funds.** While InR Advisory may recommend allocating investment assets to mutual funds that are not available directly to the public, InR Advisory may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging InR Advisory as an investment advisor.

However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging InR Advisory as an investment adviser, the client or prospective client would not receive the benefit of InR Advisory's initial and ongoing investment advisory services.

**Fee Differentials.** As indicated below, InR Advisory shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management (between 0.20% and 1.00%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by InR Advisory to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

**Client Obligations.** In performing its services, InR Advisory shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify InR Advisory if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising InR Advisory's previous recommendations and/or services.

**Disclosure Statement.** A copy of InR Advisory's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

**Sub-Advisory Arrangements.** In limited circumstances, InR Advisory may engage sub-advisors to assist with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by InR Advisory. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by InR Advisory. InR Advisory will render ongoing and continuous advisory services to the client relative to the monitoring and review of account performance, client investment objectives, and asset allocation. The sub-advisor's fee for services is exclusive of, and in addition to, InR Advisory's investment advisory fee.

- C. InR Advisory shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, InR Advisory shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on InR Advisory's services.
- D. There is no significant difference between how InR Advisory manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage InR Advisory on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (**See** Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage InR Advisory on a non-wrap fee basis the client will select individual services on

an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). Please Note: When managing a client's account on a wrap fee basis, InR Advisory shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

InR Advisory may also serve as a participating investment adviser in certain wrap and managed account fee programs sponsored by an unaffiliated entity (each, a "Program Sponsor") for which InR Advisory may render investment advisory services on a discretionary basis. In such engagements, clients pay their fees directly to the Program Sponsor who, in turn, remits a portion of those fees to InR Advisory. The advisory fees remitted to InR Advisory are based upon an annual percentage of assets under management as calculated by the Program Sponsor either on a quarterly basis or a monthly basis, which are disclosed to clients as part of the Program Sponsor's Wrap Fee Program Brochure.

- E. As of January 7, 2017, InR Advisory had \$876,169,895 in assets under management on a discretionary basis.

## **Item 5            Fees and Compensation**

A.

### **PENSION CONSULTING**

InR Advisory acts as a pension consultant for various pension plans, including those of municipalities. InR Advisory first determines the investment objectives and requirements that are appropriate for each plan and then recommends various prospective investment alternatives for the plan's review and consideration including, but not limited to, mutual funds, group each plan sponsor) that best fulfill the investment objectives within each investment category.

Prior to engaging InR Advisory, the client will generally be required to enter into an Investment Consulting Agreement with InR Advisory setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, the fee arrangement, and the portion of the fee that is due from the client prior to InR Advisory commencing services. InR Advisory's negotiable fee shall vary from 0.20% up to 0.75% of the total assets placed under InR Advisory's management/advisement and shall be based upon various objective and subjective factors. These factors include, but are not limited to, the amount of the assets placed under InR Advisory's management, the level and scope of the overall investment advisory services to be rendered and the complexity of the engagement. (See Fee Differentials in Item 4B above)

### **INVESTMENT ADVISORY SERVICES (NON-WRAP)**

InR Advisory may provide discretionary investment advisory services on a fee basis. InR Advisory's annual investment advisory fee shall vary from 0.20% up to 0.75% of the total assets placed under InR Advisory's management/advisement and shall be based upon various objective and subjective factors. These factors include, but are not limited to, the amount of the assets placed under InR Advisory's management, the level and scope of the overall investment advisory services to be rendered and the complexity of the engagement. (See Fee Differentials in Item 4B above)

## **INR ADVISORY SERVICES WRAP PROGRAM FEES**

If a client determines to engage InR Advisory to provide investment management services on a wrap fee basis in accordance with InR Advisory's Program, the services offered under, and the corresponding terms and conditions pertaining to the Program are discussed in the Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants.

Under the Program, InR Advisory is able to offer participants discretionary investment management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment advisory fees. The annual Program fee, which ranges between negotiable and 1.00%, shall be based upon various objective and subjective factors, including but not limited to: the amount of the assets placed under InR Advisory's direct management through the Program, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. (See Fee Differentials in Item 4B above).

- B. InR Advisory's Pension Consulting fee is payable in advance. InR Advisory, in its sole discretion, may charge a lesser fee based upon certain criteria (i.e. existing client, anticipated future additional assets, dollar amount of assets within the plan, related accounts, negotiations with client, etc.). In the event the client terminates InR Advisory's consulting services, the balance of InR Advisory's fee, if any, shall be refunded to the client.

Clients who engage InR Advisory to provide individual investment advisory services may elect to have InR Advisory's advisory fees deducted from their custodial account. Both InR Advisory's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of InR Advisory's investment advisory fee and to directly remit that management fee to InR Advisory in compliance with regulatory procedures. In the limited event that InR Advisory bills the client directly, payment is due upon receipt of InR Advisory's invoice. InR Advisory shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, InR Advisory shall generally recommend TD Ameritrade, Inc., an independent and unaffiliated SEC-registered and FINRA/SIPC member broker-dealer/custodian ("TD Ameritrade") to serve as the broker-dealer/custodian for client investment management assets. Broker-dealers like TD Ameritrade charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to InR Advisory's investment advisory fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Clients who engage InR Advisory on a wrap fee basis will not incur brokerage commissions and/or transaction fees in addition to the Program Fee.
- D. InR Advisory's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Investment Advisory Agreement between InR Advisory and the



client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, InR Advisory shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither InR Advisory, nor its representatives, accepts compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither InR Advisory, nor any supervised person of InR Advisory, accepts performance-based fees.

## **Item 7            Types of Clients**

InR Advisory's clients generally include individuals, high net worth individuals, pension and profit sharing plans, corporations or other business entities, trusts, estates, and state or municipal government entities. InR Advisory generally requires an account minimum of \$50,000 of investable assets to qualify for InR Advisory's investment management services. InR Advisory, in its sole discretion, may reduce or waive the account minimum and/or reduce the management fee based upon certain criteria (i.e. existing financial planning or pension consulting client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. InR Advisory may utilize the following method of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

InR Advisory may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by InR Advisory) will be profitable or equal any specific performance level(s).

- B. InR Advisory's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis InR Advisory must have access to current/new market information. InR Advisory has no control over the dissemination rate of market information; therefore, unbeknownst to InR Advisory, certain analyses may be compiled with outdated market information, severely limiting the value of InR

Advisory's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

InR Advisory's primary investment strategy - Long Term Purchases – is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop whereas shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, InR Advisory primarily allocates client investment assets among various no-load mutual fund classes, indexed mutual funds, and indexed ETFs, on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

InR Advisory has not been the subject of any disciplinary actions.

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

- A. Neither InR Advisory, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither InR Advisory, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Licensed Insurance Agents. Certain representatives of InR Advisory, in their individual capacities, are licensed insurance agents, and may recommend, on a limited basis, the purchase of certain insurance-related commissioned products. Clients can therefore engage certain of InR Advisory's representatives on a limited basis to purchase commissioned insurance products. Because of the limited nature of InR Advisory's commission business, InR Advisory's insurance commission services are not material to InR Advisory's advisory business.

Conflict of Interest. The recommendation by InR Advisory's representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from InR Advisory's representatives. Clients are reminded that they may purchase insurance products recommended by InR Advisory through other, non-affiliated insurance agents. **InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. InR Advisory does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. InR Advisory maintains an investment policy relative to personal securities transactions. This investment policy is part of InR Advisory's overall Code of Ethics, which serves to establish a standard of business conduct for all of InR Advisory's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, InR Advisory also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by InR Advisory or any person associated with InR Advisory.

- B. Neither InR Advisory nor any related person of InR Advisory recommends, buys, or sells for client accounts, securities in which InR Advisory or any related person of InR Advisory has a material financial interest.
- C. InR Advisory and/or representatives of InR Advisory may buy or sell securities that are also recommended to clients. This practice may create a situation where InR Advisory and/or representatives of InR Advisory are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if InR Advisory did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of InR Advisory's clients) and other potentially abusive practices.

InR Advisory has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of InR Advisory's "Access Persons". InR Advisory's securities transaction policy requires that an Access Person of InR Advisory must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date InR Advisory selects; provided, however that at any time that InR Advisory has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. InR Advisory and/or representatives of InR Advisory may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where InR Advisory and/or representatives of InR Advisory are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, InR Advisory has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of InR Advisory's Access Persons.

## Item 12      **Brokerage Practices**

- A. In the event that the client requests that InR Advisory recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct InR Advisory to use a specific broker-dealer/custodian), InR Advisory generally recommends that investment management accounts be maintained at TD Ameritrade. Prior to engaging InR Advisory to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with InR Advisory setting forth the terms and conditions under which InR Advisory shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that InR Advisory considers in recommending TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with InR Advisory, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by InR Advisory's clients shall comply with InR Advisory's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where InR Advisory determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although InR Advisory will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, InR Advisory's investment advisory fee. InR Advisory's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. TD Ameritrade Institutional Program.

InR Advisory participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, which is an independent and unaffiliated SEC-registered and FINRA/SIPC member broker-dealer/custodian. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. InR Advisory receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below).

### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, InR Advisory may receive from TD Ameritrade (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor), without cost (and/or at a discount) support services and/or products, certain of which assist InR Advisory to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by InR Advisory may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting

services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by InR Advisory in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist InR Advisory in managing and administering client accounts. Others do not directly provide such assistance, but rather assist InR Advisory to manage and further develop its business enterprise.

InR Advisory's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as result of this arrangement. There is no corresponding commitment made by InR Advisory to TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

2. InR Advisory does not receive referrals from broker-dealers.
3. Directed Brokerage. InR Advisory does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and InR Advisory will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by InR Advisory. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs InR Advisory to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through InR Advisory. Higher transaction costs adversely impact account performance. Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that InR Advisory provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless InR Advisory decides to purchase or sell the same securities for several clients at approximately the same time. InR Advisory may (but is not obligated to) combine or

“bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among InR Advisory’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day.

### **Item 13      Review of Accounts**

- A. For those clients to whom InR Advisory provides investment supervisory services, account reviews are conducted on an ongoing basis by InR Advisory’s Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise InR Advisory of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with InR Advisory on an annual basis.
- B. InR Advisory may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. InR Advisory may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, InR Advisory receives economic benefits from TD Ameritrade including support services and/or products without cost or at a discount.

Specifically, as disclosed under Item 12 above, InR Advisory participates in TD Ameritrade’s institutional customer program and InR Advisory may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between InR Advisory’s participation in the program and the investment advice it gives to its clients, although InR Advisory receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to InR Advisory by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by InR Advisory’s related persons. Some of the products and services made available by TD Ameritrade through

the program may benefit InR Advisory but may not benefit its client accounts. These products or services may assist InR Advisory in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help InR Advisory manage and further develop its business enterprise. The benefits received by InR Advisory or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, InR Advisory endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by InR Advisory or its related persons in and of itself creates a potential conflict of interest and may indirectly influence InR Advisory's choice of TD Ameritrade for custody and brokerage services.

InR Advisory's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as result of this arrangement. There is no corresponding commitment made by InR Advisory to TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. InR Advisory does not compensate any person other than its supervised persons for client referrals.

## **Item 15      Custody**

In addition, InR Advisory shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. InR Advisory may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that InR Advisory provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by InR Advisory with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of InR Advisory's advisory fee calculation.

InR Advisory's Chief Compliance Officer Michael Glackin remains available to address any questions that a client or prospective client may have regarding custody-related issues.

## **Item 16          Investment Discretion**

The client can determine to engage InR Advisory to provide investment advisory services on a discretionary basis. Prior to InR Advisory assuming discretionary authority over a client's account, the client shall be required to execute Investment Advisory Agreement, naming InR Advisory as the client's attorney and agent in fact, granting InR Advisory full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage InR Advisory on a discretionary basis may, at anytime, impose restrictions, in writing, on InR Advisory's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe InR Advisory's use of margin, etc.).

## **Item 17          Voting Client Securities**

- A. InR Advisory does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact InR Advisory to discuss any questions they may have with a particular solicitation.

## **Item 18          Financial Information**

- A. InR Advisory does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. InR Advisory is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. InR Advisory has not been the subject of a bankruptcy petition.

ANY QUESTIONS: InR Advisory's Chief Compliance Officer, Michael Glackin, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.