

MRA ASSOCIATES USA LLC

(DBA MRA Associates)
PART 2A OF FORM ADV
THE BROCHURE

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This brochure describes the business practices, fee arrangements, and additional disclosures and information for MRA Associates. If you have any questions about the contents of this brochure, please contact us at 602.468.1232 or compliance@mraassociates.com. The information in this brochure has been filed with the SEC but not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

MRA Associates is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

Additional information about MRA Associates is also available on the SEC's website at www.adviserinfo.sec.gov. MRA Associates CRD# is 152734.



Material Changes

This section discusses any material changes to this brochure since the date of our last annual update, which was March 2018.

In January of 2019, the Minnesota office moved to a new location in Wayzata, Minnesota.

In January of 2019, Ken Garrett sold his partnership interest to internal team members. Evan Judge, Eric Ensign, and Will Froelich all became partners.

In February of 2019, MRA Associates began offering MRA Credit Strategies Fund I-A LP and MRA Credit Strategies Fund I-B LP.

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Advisory Business

MRA Associates is headquartered in Phoenix, Arizona with satellite offices in Las Vegas, Nevada and Wayzata, Minnesota. Currently Bradley Lemon, Mark Feldman, Christina Burroughs, Maureen Rzeppa, David Westra, Russell Bucklew, Nathan Erickson, Michael Hirte, Evan Judge, Eric Ensign, Will Froelich, and MarketPlace One LLC (as members of MRA Holdings LLC, parent company to MRA Associates) are principal owners.

We advise and consult on over \$3.1 billion (as of 12/31/18) of assets, of which over \$2.3 billion is reported as regulatory assets under management (RAUM). Approximately 70% of RAUM is discretionarily managed. The remaining is either managed on a non-discretionary basis or discretion is delegated to separate account managers.

MRA Associates provides investment management and consulting services to individuals, businesses, retirement plans, trusts, estates, sovereign nations, endowments, foundations, and other charitable organizations. Our advice is specific to each client's individual goals, time horizon, risk tolerance, and investment objectives.

MRA Associates also provides wealth management services to individuals and families. In addition to investment advice and as requested by our clients, we may help address their needs regarding retirement planning, taxes, estate planning, charitable giving, and insurance. Neither MRA Associates nor any of our staff serves as an attorney or insurance agent and our services should not be construed as such advice. Rather, we work with outside professionals to assist our clients as they navigate through these areas. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (e.g., attorneys, accountants, insurance representatives, etc.). The client is under no obligation to engage the services of any such recommended professional and retains full discretion to accept or reject any recommendation from MRA Associates.

MRA Associates performs investment management and/or advisory services for ERISA covered retirement plans. Depending upon the needs of the plan, we serve as either a 3(38) discretionary investment manager or 3(21) nondiscretionary advisor. We may also provide additional consulting services to assist the plan sponsor with meeting its fiduciary obligation as the plan's Named Fiduciary. MRA Associates does not serve as the plan's Named Fiduciary.

MRA Associates has been hired as a sub-advisor by a trust company to assist them in providing investment management services to their clients. We are engaged by the trust company and not the individual clients of the trust company. It is the sole responsibility and discretion of the trust company to determine whether the allocations recommended by MRA Associates are appropriate for each of its clients.

MRA Associates identifies each client's financial goals and establishes a plan to assist the client in realizing those goals. In most cases, we design a broadly diversified portfolio taking into consideration the risk tolerance and goals of the client. We do not have an association with any third-party money manager to market their products.

MRA Associates relies on the information provided by our clients and their professional advisors. We are not required to verify any information received, and we are expressly authorized to rely on this information. It remains our clients' responsibility to promptly notify us of any changes in their investment objectives or financial situation for the purpose of evaluating their investment plan.

Private Investment Funds:

MRA Associates serves as manager of MR Investment Fund I LLC ("Fund I"), a private investment fund. Class 1 was created for the purpose of which is to invest in various illiquid investments and hold such investments for profit. Class 2 was created for the purpose of investing in healthcare royalties. The fund is closed to new investors. Marketplace One LLC, a minority owner of MRA Associates, is also a limited partner in Trinity Capital Fund II, LP, one of the investments held in Fund I. MRA Associates was hired by Trinity Capital Investment ("Trinity") in May, 2018 to serve as a 3(21) nondiscretionary advisor for a retirement plan sponsored by Trinity. The opportunity to manage the retirement plan for a fee came about several years following the decision for Fund I to invest in the Trinity fund, and are unrelated to each other. MRA Associates has no impact on the investment decisions that Trinity makes in its fund. However, we understand that one may perceive this to be a potential conflict of interest.

MRA Associates serves as manager of MRA Opportunities Fund I-A LP ("Fund I-A") and MRA Opportunities Fund I-B LP ("Fund I-B") (together the "Opportunities Funds"), both private investment funds. Class 1 of the Opportunities Funds was created for the purpose of investing in various illiquid investments that provide a high level of current income and attractive risk-adjusted returns relative to more liquid fixed income alternatives. Class 2 of Fund I-B was created for the purpose of investing in healthcare royalties. Both funds are closed to new investors.

MRA Associates serves as manager of MRA Credit Strategies Fund I-A LP and MRA Credit Strategies Fund I-B LP (together the "Credit Strategies Funds"), both private investment funds, which were created for the purpose of investing in various illiquid investments that provide a high level of current income and attractive risk-adjusted returns relative to more liquid fixed income alternatives. The funds are currently open.

The general partner of the private funds that are structured as limited partnerships is MRA GP, LLC, which is wholly owned by MRA Associates. We have recommended, on a non-discretionary basis, that qualified clients consider allocating a portion of their investment assets to the private funds listed above. The terms and conditions for participation in the private funds and risk factors were set forth in each funds' offering documents.

We do not charge a fee for our services as manager to the private investment funds described here for investors who are also investment advisory clients of the firm. We receive an investment advisory fee per each client's investment advisory agreement. For investors in our private funds who are not investment advisory clients, we do charge a management fee to the fund, which is then allocated to the non-client investors only. Additionally, we provide administrative and back-office services to the private funds and are reimbursed for those services, which is described in the funds' offering documents.

MRA Associates serves as the sub-advisor (but not the sponsor, general partner, or limited partner) for an affiliated fund, the Vega Multi-Strategy Fund ("VMS Fund"), available through a prepaid life

insurance policy (PPLI). We may recommend, on a non-discretionary basis, that qualified clients consider allocating a portion of their investment assets to the VMS Fund as a planning strategy. The terms and conditions for participation in the VMS Fund and the risk factors are set forth in the offering documents.

Robo Program:

MRA Associates also offers an automated investment program called MRA Market Portfolios Program (the “Robo Program”) through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds (“ETFs”) and/or mutual funds and a cash allocation. The client may instruct us to exclude up to three ETFs or mutual funds from his/her portfolio. The client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“Schwab”). We use the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisors and an affiliate of Schwab, to operate the Robo Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, Schwab, or their affiliates (together, “Schwab affiliates”). We, and not Schwab, are the client’s investment advisor and primary point of contact with respect to the Robo Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Robo Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Robo Program. The Platform enables us to make the Robo Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at Schwab that are not enrolled in the Robo Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients’ assets in the Robo Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Robo Program be maintained with Schwab.

Tax Consultation and Tax Return Preparation

MRA Associates provides tax planning, consultation, and advice on various tax matters for clients who engage the firm for tax services. The scope of these services depends on the needs of the client.

Fees and Compensation

The only compensation MRA Associates receives for its services are the fees paid by our clients. We do not receive commissions for the investments that we recommend, nor do we collect any

management fees for the private funds where we serve as manager, unless an investor in a fund is not a client, and then a fee is allocated only to that investor. We do receive fees from the funds we manage for administrative and back-office services that we provide, as described in each fund's offering documents.

Our standard fee schedule for investment management services:

| Market Value | Fee Rate |
|--------------------------|----------|
| On the First \$2 million | 1.00% |
| On the Next \$3 million | .75% |
| On the Next \$45 million | .50% |
| Over \$50 million | .25% |

The fee schedule includes tiers where asset levels are billed at different rates. In most cases, fees are calculated and billed quarterly, either in advance or arrears, based on the average daily balance of the market value of the portfolio. For some retirement plan clients, the fee is calculated and remitted monthly rather than quarterly, depending on the process as defined by each retirement plan's recordkeeper.

Some clients are charged a fixed fee rather than a percentage of managed assets. Fees for retirement plan consulting services and institutional services are negotiated based on various factors. At our sole discretion, we may waive the fee or charge a lesser management fee and/or reduce or waive the portfolio minimum based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). We may charge additional fees for projects outside the scope of our normal services, and these would be covered by a separate consulting agreement. We reserve the right to change the amount we charge clients with 60 days' advance written notice.

The annual fee for clients who have enrolled in the Robo Program (as described in the section titled Advisory Business) is .75% of assets. The fee is payable quarterly in advance and is prorated for partial months. We may waive or reduce the Robo Program fees for certain clients. Clients do not pay fees to SPT for brokerage commissions or other fees to Schwab as part of the Robo Program. Schwab does receive other revenues in connection with the Robo Program. Brokerage arrangements are further described below in the section titled Brokerage Practices.

Wealth management clients are subject to additional fees either based on net worth, billed at an hourly rate, or for a fixed fee. Fees for tax planning, consultation, and advice are billed at either an agreed-upon retainer, which is billed and collected in advance, or an hourly rate, which varies depending on the skill level and experience of the staff used for the engagement.

Administrative and back-office service fees are charged to the private investment funds in arrears, based on actual time worked on those funds.

Fees are deducted directly from the clients' accounts whenever authorized. If not authorized, clients are invoiced directly for fees. The fees for accounts opened or closed during the quarter are prorated to reflect the time that we managed the account. If fees are billed in advance of providing services

and the agreement is terminated prior to earning the fees collected, we prorate and refund to the client the fees that have not been earned. For margin balances, the decision whether to employ margin is left to the client's discretion. Therefore, we do not include margin balances when calculating fees. MRA Associates fees are exclusive of fees charged by the custodian for transactions, electronic transfers, custodial fees, etc. Mutual funds, separately-managed accounts, and exchange-traded funds incur expenses, which are disclosed in each fund's prospectus, and are in addition to MRA Associates management fee.

Performance Based Fees and Side-By-Side Management

MRA Associates does not charge performance-based fees. Side-by-side management (defined as an institutional investment advisor who manages hedge funds "side-by-side" with mutual funds or separate accounts) is not applicable to our firm.

Types of Clients

MRA Associates provides investment advisory, wealth management, and tax services to individuals and families. In addition, we provide investment management and consulting services to businesses, retirement plans, trusts, estates, sovereign nations, endowments, foundations, and other charitable organizations.

MRA Associates requires a \$2 million portfolio minimum for wealth management and investment advisory services (except for those enrolled in the Robo Program as described above under Advisory Business), and \$3 million minimum for retirement plan consulting services. These minimum may be reduced or waived at our sole discretion.

Clients eligible to enroll in the Robo Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to ERISA are not eligible for the Robo Program. The minimum investment required to open an account in the Robo Program is \$5,000; however, we reserve the right to increase that minimum. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

Methods of Analysis, Investment Strategies, and Risk of Loss

MRA Associates Investment Policy Committee selects securities for client portfolios from a broad universe of mutual funds, fixed-income instruments, separately-managed stock or bond portfolios, exchange-traded funds or notes, and multi-strategy vehicles. We generally do not recommend or monitor individual stocks.

All investors should realize that investing in securities involves risk of loss, which they should be prepared to bear. Different types of investments involve varying degrees of risk, and you should not assume that future performance of any specific investment or investment strategy (including those recommended or undertaken by MRA Associates) will be profitable or equal any specific performance levels, or replicate historical performance. These risks include stock market risk, investment style risk, country risk, currency risk, inflation risk, interest rate risk, income risk, reinvestment risk, call risk, credit risk, liquidity risk, and other risks not specifically identified. We incorporate Modern Portfolio Theory to build well-diversified client portfolios with a focus on risk-adjusted return. We utilize both liquid and illiquid investments in portfolios to increase

diversification and attempt to mitigate some of the types of risk inherent in the stock market. Modern Portfolio Theory will not eliminate all risk but is an attempt to reduce portfolio volatility through optimal diversification.

MRA Associates may provide investment advice regarding affiliated or unaffiliated private investment funds. We may recommend, on a non-discretionary basis, that certain qualified clients consider an investment in a private investment fund. However, clients are under no obligation to invest in the fund. For those private investment funds where we do not serve as manager or sub-advisor, our role is limited to its initial and ongoing due diligence and investment monitoring services of the private investment fund. If a client decides to become a private fund investor, the amount of assets invested shall be included in the assets under management for purposes of calculating our management fee.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a discussion of which is set forth in each fund's offering documents, which will be provided to a client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Investors in these vehicles are required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment. Our clients are under no obligation to consider or make an investment in a private investment fund. MRA Associates will discuss private funds with clients who meet suitability requirements and whose portfolios (in MRA Associates best judgment) could benefit from an allocation to a private investment fund.

Regarding an investment in any private investment funds owned by a client, the value of these funds will reflect either the initial purchase price or the most recent valuation provided by fund sponsor. If the valuation reflects the initial purchase price or the value at a previous date, the current value of the fund could be significantly more or less than the reflected price.

The Robo Program disclosure brochure includes a discussion of various risks associated with the Robo Program, including the risks of investing in ETFs and mutual funds, as well as risks related to the underlying securities in which ETFs and mutual funds invest. In addition, the Robo Program disclosure brochure discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks. Clients enrolled in the Robo Program are provided the disclosure brochure during Schwab's enrollment process.

Disciplinary Information

MRA Associates is required to disclose material facts regarding any legal or disciplinary event that is material to a client or prospect's evaluation of the integrity of our firm or our management personnel. This item is not applicable to our firm, since neither the firm nor any of our staff has had any legal or disciplinary events related to services provided by our company in the company's history.

Other Financial Industry Activities and Affiliations

MRA GP LLC, which is wholly-owned by MRA Associates, was formed in 2015 for the sole purpose of serving as general partner for the Opportunities Funds.

Code of Ethics

MRA Associates recognizes the fiduciary responsibility we owe to our clients, including the avoidance of activities, interests, and relationships that run contrary to (or appear to run contrary to) our clients' best interests. Accordingly, we have adopted a Code of Ethics to ensure that our employees:

- ❖ Act with honesty, integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, and colleagues.
- ❖ Place the integrity of the investment profession and the interests of clients above one's own personal interests.
- ❖ Adhere to the fundamental standard that one should not take inappropriate advantage of one's position.
- ❖ Avoid any actual or potential conflicts of interests.
- ❖ Conduct all personal securities transactions in a manner consistent with the policy.
- ❖ Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- ❖ Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession.
- ❖ Promote the integrity of, and uphold the rules governing, capital markets.
- ❖ Maintain and improve one's professional competence and strive to maintain and improve the competence of other professionals.
- ❖ Comply with applicable provisions of the federal and state laws.

MRA Associates has offered private funds to clients for which MRA Associates is the adviser and either the managing member or affiliated with the general partner. MRA Associates recommends and utilizes investments in its client portfolios in which the firm or our employees also invest. We recognize that this may present a potential conflict of interest for securities that are not open-ended mutual funds or other exempt securities. The Code of Ethics requires all employees to report personal securities holdings and transactions of non-exempt securities, and to obtain authorization prior to investing in any private funds, which allows management to address any conflicts that may exist and to ensure that our clients' interests are placed above all else.

We will provide a full copy of our firm's Code of Ethics upon request.

Brokerage Practices

MRA Associates does not maintain direct custody of assets that we manage or on which we consult; however, we may indirectly be deemed to have custody if you give us the authority to directly debit fees, if you authorize us in writing to perform certain transactions, or in certain other situations (See the Custody section on page 11). We require all of our clients to establish accounts with a qualified custodian, although certain privately offered securities held by clients that meet specific criteria set forth by the SEC Custody Rule do not require a qualified custodian. In most cases, we recommend that you use Schwab, a broker-dealer registered with the SEC and a member of FINRA and SIPC. While we may recommend that you use Schwab, you ultimately decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with Schwab. MRA Associates is independently owned and operated and is not affiliated with Schwab.

For certain 529 plans, retirement plan assets, and other investments, we frequently recommend a custodian or trust company other than Schwab to custody your assets.

MRA Associates seeks to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other providers and their services. We consider a number of factors including:

- Quality of services
- Combination of transaction execution services and custody services
- Capability to execute, clear, and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of research and tools that help us make investment decisions
- Competitiveness of cost of services and willingness to negotiate pricing
- Reputation, financial strength, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below

Client accounts enrolled in the Robo Program are maintained at, and receive the brokerage services of, Schwab. While clients are required to use Schwab as custodian/broker to enroll in the Robo Program, the client decides whether to do so and opens his/her account with Schwab, by entering into a brokerage account agreement directly with Schwab. We do not open the account for the client. If the client does not wish to place his/her assets with Schwab, then we cannot manage the client's account through the Robo Program. Schwab may aggregate purchase and sale orders for ETFs and mutual funds across accounts enrolled in the Robo Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the platform.

For our clients' accounts that it maintains, Schwab generally does not charge separately for custody services (with the exception of specific alternative investment vehicles, for which the fee is waived for our clients), but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. For some separately managed accounts, Schwab may charge an asset-based fee in lieu of commissions, which is a percentage of the dollar amount of assets in the account. Whether or not to charge an asset-based or transaction-based fee in these separately managed accounts is a decision MRA Associates makes and the client provides a signed form to Schwab to change between the two pricing arrangements. Schwab's fees applicable to our clients' accounts were negotiated based on the condition that our clients collectively maintain a minimum asset level in accounts at Schwab. This commitment benefits you because the overall fees you pay are lower than they would otherwise be.

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business servicing independent investment advisory firms like us. Through Schwab Advisor Services, Schwab provides us and our clients, both those enrolled in the Robo Program and our clients not enrolled in the Robo Program, with access to its institutional brokerage services – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no

charge to us. The availability to us of Schwab's products and services is not based on us giving specific investment advice, such as buying particular securities for our clients. Here is a more detailed description of Schwab's support services:

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefit providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

In light of our arrangements with Schwab, we may have an incentive to recommend that our clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in

custody. With respect to the Robo Program, we do not pay Schwab fees for its services in connection with the Robo Program so long as we maintain \$100 million in client assets in accounts that are not enrolled in the Robo Program. These minimums may give us an incentive to recommend that you maintain your account at Schwab, which is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of Schwab's services, and not Schwab's services that benefit us only. Schwab is also the largest and most well-known provider of custody services to the RIA marketplace. We have more than \$2 billion of our clients' assets at Schwab and affiliates, and we do not believe that the requirement to maintain at least \$100 million of assets at Schwab in order to avoid paying Schwab service fees presents a material conflict of interest.

MRA Associates may make an error in submitting a trade order on a client's behalf. When this occurs, MRA Associates may place a correcting trade with the broker/dealer which has custody of the account. For errors that are filed with Schwab, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, MRA Associates will pay for the loss. Schwab will maintain the loss or gain if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

At MRA Associates, we mainly execute trades in open-end institutional mutual funds, ETFs, and ETNs. Timing and pricing are irrelevant with regard to mutual fund trading. For ETF and ETN trades, we block trade when possible, and all clients participating in the block trade receive the average price. We have additional procedures in place to ensure clients receive best execution on these trades. Trading and management of managed equity securities are mainly performed by separate account managers. We and the client rely on the expertise of these managers to execute trades in the best interests of the client.

Review of Accounts

MRA Associates' investment professionals review our client accounts periodically. All clients are advised that it remains their responsibility to inform MRA Associates of any changes in their investment objectives and/or financial situation. All clients are encouraged to review investment objectives and account performance with our firm at a minimum on an annual basis.

MRA Associates provides quarterly reports to its clients that show holdings and activity of the client's portfolio and, in most cases, historical performance.

Client Referrals and Other Compensation

MRA Associates has a referral arrangement with Teton Wealth Management, Inc. ("TWM"), an advisory firm located in Wyoming. MRA Associates has had a long-standing business relationship with the principal of TWM spanning over a decade. The referral arrangement was created in 2014 to provide succession for TWM's clients in preparation for the retirement of the firm's principal. The fee and the disclosures and acknowledgements under the agreement are in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 and state securities regulations. Any referral fee is paid solely by us, and does not result in any additional cost to the client.

MRA Associates no longer actively participates in Schwab Advisor Network; however, some existing clients resulted from past participation in the program. For these referrals made during the period when we actively participated, we continue to pay Schwab a participation fee, calculated as a percentage of the fees the client pays to our firm. The participation fee is paid by MRA Associates and not by the client.

We receive an economic benefit from Schwab in the form of products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving specific investment advice, such as buying particular securities for our clients.

While we do not participate in any formal soft dollar arrangements, we may receive an economic benefit from custodians, brokers, fund managers, and vendors other than Schwab in the form of services or technology that may not directly benefit our clients' accounts, creating a potential conflict of interest. We select our vendors and investment managers in a thoughtful and strategic manner using quantitative and qualitative analysis, and with ongoing monitoring in support of our fiduciary responsibility. Therefore, we do not believe that accepting these services creates a material conflict of interest.

Custody

All client assets are held independently by unaffiliated qualified custodians, although certain privately offered securities held by clients that meet specific criteria set forth by the SEC Custody Rule do not require a qualified custodian. MRA Associates does not take physical custody of clients' assets. Under government regulations, we are deemed to have custody of client assets in certain situations, most of which are described below. One situation occurs when you authorize Schwab to deduct our advisory fees directly from your account, even though Schwab maintains actual custody of your assets. A second situation occurs if you authorize us to direct funds from your accounts to third parties. A third situation occurs when you send checks to MRA Associates for deposit at the custodian, and the checks are not made payable to the custodian, or you send a securities certificate to MRA Associates rather than directly to the custodian. A fourth situation occurs when an employee of MRA Associates serves as trustee for a client, or has full power of attorney, at the client's request. A fifth situation occurs because MRA Associates or an affiliate serves as general partner or managing member of private funds. A sixth situation occurs when a client holds certain third-party issued privately offered securities where there is no qualified custodian. A seventh situation occurs when a client provides MRA Associates with login access to client accounts with the ability to act on the client's behalf.

All clients receive custodial statements at least quarterly, and we encourage you to carefully review these statements and compare them to the reports provided quarterly by MRA Associates.

Investment Discretion

For clients who have entered into a written agreement with MRA Associates for discretionary advisory services, we maintain the authority to design initially, and subsequently make changes to, the overall investment allocation without client consent. This authority includes determining the securities to be bought and sold and the amount of securities bought and sold. It applies to the

selection of managers, mutual funds, and other investment vehicles that may be used within a portfolio. However, for clients who invest in our private funds or other illiquid alternative funds, they must do so by subscription. The only limitations on our discretionary authority are those set by the client either within the initial advisory agreement or in writing thereafter. In addition to the written agreement with MRA Associates, clients must give MRA Associates limited power of attorney to execute transactions at the custodian.

Voting Client Securities

MRA Associates does not vote proxies on behalf of our clients. Except for client assets that are managed by separate account managers (for which proxies are normally voted by the manager), the client retains the authority to vote proxies and will receive proxies and other solicitations directly from the custodian. MRA Associates may provide limited advice or guidance regarding a particular proxy vote at its discretion. However, we do not have proxy voting authority solely as a result of providing such advice.

Financial Information

MRA Associates has never filed for bankruptcy, and no financial condition exists that impairs our ability to meet our contractual and fiduciary commitments to our clients.

Questions?

MRA Associates' Chief Compliance Officer, Maureen Rzeppa, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.