

# MCA Cross Border Advisors Inc. MCA Cross Border Capital Inc. Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of MCA Cross Border Advisors Inc. ("MCA Advisors") and MCA Cross Border Capital Inc. ("MCA Capital"), collectively, the "Firm" or "MCA." If you have any questions about the contents of this brochure, please contact us at 514-940- 8066 or by email at: [maltro@mcacrossborder.com](mailto:maltro@mcacrossborder.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 MCA Advisors and MCA Capital is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). MCA Cross Border Advisors Inc.'s CRD number is: 168125 and MCA Cross Border Capital Inc.'s CRD number is: 327516.*

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*Registration does not imply a certain level of skill or training.*

Version Date: 10/09/2024

## Item 2: Material Changes

MCA Cross Border Advisors Inc. (“MCA Advisors”) (collectively “MCA”) filed its last annual update to this Form ADV Part 2A brochure on March 30, 2023. MCA Cross Border Capital Inc. (“MCA Capital”) last filed an update to its first Form ADV Part 2A brochure on January 8, 2024. MCA Advisors and MCA Capital (collectively “MCA”) continue to conduct their business activities and provide investment advisory services in substantially the same manner as described in the last update to the brochure. The ensuing is only a list of changes since the last update that are or may be considered material. It does not identify every change to the brochure since the last update. In addition, there have been minor word enhancements and clarifications throughout the brochure.

- On the cover page, language was added indicating that the website is for MCA Cross Border Advisors and not MCA Cross Border Capital.
- Item 17 was updated to disclose that MCA Advisors and MCA Capital may vote client proxies in certain cases. Language was also added here to briefly disclose MCA’s proxy voting policies and procedures and how clients may obtain a copy of these policies and procedures.
- On August 8, 2024, Item 5 was updated to clarify that in cases where both MCA Advisors and a sub-advisor provide investment advisory services to a client, MCA Advisors will bill the client its advisory fee and the sub-advisor’s fee directly on a monthly basis. MCA Advisors will then pay to the subadvisor any subadvisory fees earned by the subadvisor at the end of the quarter.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

MCA Cross Border Advisors Inc. ("MCA Advisors") and MCA Cross Border Capital Inc. ("MCA Capital") (collectively "MCA") are corporations organized in Canada. The principal owner of both entities is Matthew C. Altro. MCA Advisors was formed in March 2013 and MCA Capital was formed in November 2022. MCA Advisors is registered with the Financial Markets Authority ("AMF") in Quebec, Canada and MCA Capital is registered with the AMF and the Ontario Securities Commission in Canada.

### B. Types of Advisory Services

MCA Advisors and MCA Capital offer the following services to advisory clients:

#### *Financial Planning (MCA Advisors)*

MCA Advisors offers the creation of financial plans for Canadians moving to the U.S. and for Americans moving to Canada. These comprehensive plans are designed to minimize tax burdens, address estate-planning issues, achieve retirement goals, identify investment opportunities, obtain health care coverage and meet immigration objectives. Financial plans and financial planning may also include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in the Financial Planning Agreement.

#### *Investment Advisory Services (MCA Advisors and MCA Capital)*

MCA Advisors and MCA Capital offer investment advisory services to clients. MCA may direct clients to third- party money managers that act as sub-advisors to MCA. The sub-advisors will manage assets (generally equity and fixed-income securities) according to a set of guidelines extracted from Investment Policy Statements created by MCA. MCA will oversee and monitor the sub-advisors and their management of clients' accounts and will pay a portion of the advisory fee it charges clients to those third-party money managers. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting sub-advisors for clients, MCA will always ensure those other advisors are properly licensed or registered as an investment advisor.

In addition to recommending equity and fixed-income securities, MCA Capital may recommend pooled investment vehicles, including venture capital, hybrid and growth equity funds, and private credit funds. MCA Capital will also utilize in-house exchange

traded fund (ETF) models in managing client assets.

### ***Selection and Oversight of Other Advisers (MCA Advisors)***

MCA Advisors may refer clients to third party money managers for implementation of the clients' financial plan. MCA Advisors will recommend third party money managers after interviews and evaluations of available managers in collaboration with the client. MCA Advisors will continue to monitor and oversee the third-party manager(s) and provide analysis to the client on an ongoing basis. MCA Advisors will be compensated via an annual fee that is paid directly by the client that is separate and distinct from the fee the client pays the third-party manager. The fees charged by the third-party manager and MCA Advisors will not exceed any limit imposed by any regulatory agency. Before selecting other advisers for clients, MCA Advisors will always ensure those other advisers are properly licensed or registered as an investment advisor. Please see Item 10 for more information regarding MCA Advisors' recommendation of third-party managers.

### ***Services Limited to Specific Types of Investments***

MCA Advisors generally limits its services to financial planning and selection of other advisers while MCA Capital generally limits its services to investment management services.

### ***Retirement Rollovers***

MCA may recommend that a client roll over retirement plan assets into an Individual Retirement Account (IRA) or other retirement account managed that will be managed by MCA and a sub-advisor, if applicable. As a result, MCA and/or a sub-advisor may earn an asset-based fee on those assets. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Specifically, if MCA recommends a client roll over its retirement assets to a managed account, such a recommendation creates a conflict of interest if we will earn new (or increase our current) compensation as a result of the rollover.

Depending on the options available to the individual, rolling over assets to an account managed by MCA and/or a sub-advisor could incur higher fees than leaving it in a current plan or moving to another employer-sponsored plan. In contrast, a recommendation that a client or prospective client leave their plan assets with their old

employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to MCA. MCA has an economic incentive to encourage a client to roll plan assets into an IRA that MCA and/or a sub-advisor will manage.

There are various factors that MCA may consider before recommending a rollover, including but not limited to:

- I. The investment options available in the plan versus the investment options available in an IRA,
- II. Fees and expenses in the plan versus the fees and expenses in an IRA,
- III. The services and responsiveness of the plan's investment professionals versus those of MCA,
- IV. Protection of assets from creditors and legal judgments,
- V. Required minimum distributions and age considerations,
- VI. Employer stock tax consequences, if any,
- VII. Plan's withdrawal options or limitations, before and/or after retirement

No client is under any obligation to rollover retirement plan assets to an account managed by MCA and/or a sub-advisor.

### C. Client Tailored Services and Client Imposed Restrictions

#### *(MCA Advisors)*

MCA Advisors will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by MCA Advisors on behalf of the client. MCA Advisors will not use "model portfolios" but rather a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Specifically, MCA Advisors utilizes the following:

**Fact Finding:** In order to complete a comprehensive cross border analysis, specific to the client's situation, the first step is data gathering; reviewing and evaluating all information, including personal information, corporate holdings, insurance coverage, investment portfolio, income tax situation, financial statements and information regarding retirement, estates, trusts and wills.

**Cross Border Analysis:** Creation of a cross-border plan that meets the goals and objectives of the client. The plan may include analysis and recommendations in the areas of: tax planning, estate planning, retirement planning, investment planning, health coverage and insurance, immigration and tax filing.



**Presentation & Next Steps:** Once the analysis and plan are complete, the findings will be presented. During this process, clients are walked through the analysis and given the opportunity to ask questions. A series of steps will be defined based on how clients choose to move forward.

*(MCA Advisors and MCA Capital)*

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent MCA from properly servicing the client account, or if the restrictions would require MCA to deviate from its standard suite of services, MCA reserves the right to end the relationship.

**D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. MCA does not participate in any wrap fee programs.

**E. Amounts Under Management**

MCA Advisors has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$12,243,387	\$0.00	12/31/2023

MCA Advisors has the following assets under advisement:

Amount:	Date Calculated:
\$80,963,697	12/31/2023

As of September 30, 2023, MCA Capital currently does not have any assets under management.

**Item 5: Fees and Compensation**

**A. Fee Schedule**

### ***Investment Advisory Services (MCA Advisors and MCA Capital)***

Clients receiving portfolio management services from MCA will be charged an advisory fee on a monthly basis in arrears based on the month-end valuation. This fee is negotiable in certain cases but will generally be charged based on the following fee schedule:

First \$1,000,000 =	0.95%
Next \$1,000,001 - \$3,000,000 =	0.75%
Next \$3,000,001 - \$5,000,000 =	0.55%
Next \$5,000,001 - \$10,000,000 =	0.35%
Greater than \$10,000,000	Negotiable

MCA will inform clients of investment advisory services offered through third-party money managers. This relationship will be disclosed in each contract between MCA and the Client. The fees billed by MCA will not exceed any limit imposed by any regulatory agency. Because fees are charged in arrears, no refund is necessary. Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days' written notice.

#### **Sub-advisors**

An additional fee of 0.40% is charged by MCA on assets allocated to a sub-advisor. MCA will pay all or a portion of this additional fee to the respective sub-advisor. The fees paid by MCA to the subadvisor are negotiable but will generally be based on the fee schedule below:

First \$1,000,000 =	0.40%
Next \$1,000,001 - \$3,000,000 =	0.35%
Next \$3,000,001 - \$5,000,000 =	0.30%
Next \$5,000,001 - \$10,000,000 =	0.25%
Greater than \$10,000,000	Negotiable

### ***Financial Planning Fees (MCA Advisors)***

#### ***Fixed Fees***

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is generally between \$5,000 and \$100,000. Fees are paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable

and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the agreement.

### ***Hourly Fees (MCA Advisors)***

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$250 and \$475. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the agreement.

### ***Selection and Oversight of Other Advisers: Fees (MCA Advisors)***

MCA Advisors may refer clients to third party money managers for implementation of the clients' financial plan. MCA Advisors will recommend third party money managers after interviews and evaluations of available managers in collaboration with the client. MCA Advisors will continue to monitor and oversee the third party manager(s) and provide analysis to the client on an ongoing basis. MCA Advisors will be compensated via a fee based on a percentage of your assets under advisement that is paid directly by the client that is separate and distinct from the fee the client pays the third party manager. This fee is calculated quarterly based on the month-end balance of such assets during the quarter. The fees charged by the third party manager and MCA Advisors will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, MCA Advisors will always ensure those other advisors are properly licensed or registered as an investment advisor.

The fee schedule is as follows:

AUA	MCA Advisors Fee	Third Party Fee
All Assets Under Advisement	<p>Percentage of assets under advisement based on the following range:</p> <p>\$500K-\$2 Million - 0.4%</p> <p>\$2 Million - \$3.5 M - 0.35%</p> <p>\$3.5 Million and above - 0.30%</p>	As Disclosed in the Third Party's ADV Part 2A, not to exceed 1.5% of AUM.

These fees are negotiable depending upon the needs of the client and complexity of the situation. Clients may terminate the contract at any time. Clients, at such time, will be refunded any unearned fees.

## **B. Payment of Fees**

### ***Payment of Financial Planning Fees (MCA Advisors)***

Fixed Financial Planning fees are paid via check in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly Financial Planning fees are paid via check in arrears upon completion.

### ***Payment of Investment Supervisory Fees (MCA Advisors and MCA Capital)***

Advisory fees are withdrawn directly from the client's accounts by MCA with client written authorization. Fees are paid monthly in arrears.

### ***Payment of Selection and Oversight of Other Advisers Fees (MCA Advisors)***

In cases where both MCA Advisors and a sub-advisor provide investment advisory services to a client, MCA Advisors will bill the client its advisory fee and the sub-advisor's fee directly on a monthly basis. MCA Advisors will then pay to the subadvisor any subadvisory fees earned by the subadvisor at the end of the quarter.

If MCA Advisors refers clients to third-party money managers for implementation of the clients' financial plan, the third-party money manager will charge the client an asset-based fee, which is separate from any fixed-fee charged by MCA Advisors. Please see Item 10 for more information regarding MCA Advisors' recommendation of third-party managers.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by MCA. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

MCA Advisors collects fixed financial planning fees in advance. Fees will be refunded based on the prorated amount of work completed at the point of termination and refunds will be returned within fourteen days to the client via check. MCA Capital does not charge any advisory fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither MCA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

MCA Advisors, which operates as an insurance agency in Canada, has entered into an arrangement with AmCan Financial LLC (“AmCan”), a U.S. insurance agency representing several life and health insurance companies. Under the terms of the arrangement, MCA Advisors is eligible to receive a portion of any first year and renewal compensation received by AmCan in connection with any clients introduced by MCA Advisors to AmCan. As a result, MCA Advisors has an incentive to recommend the services of AmCan to U.S. clients, which is a conflict of interest.

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

MCA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

MCA generally provides money management services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

### *Minimum Account Size*

There is no account minimum.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis & Investment Strategies*

Both MCA Advisors and MCA Capital endeavor to understand a third party manager’s investment philosophy and investment and risk management process through a series of professional interviews with key investment decision-makers responsible for the

strategy, with a focus on consistent application of the investment philosophy and methodology, how investment candidates are identified and considered for potential inclusion into the portfolio, and the manager's ability to generate asymmetrical risk and return profiles.

MCA Advisors' ultimate goal is creation of a cross-border plan, including analysis and recommendations in the areas of: tax planning, estate planning, retirement planning, investment planning, health coverage and insurance, immigration and tax filing.

MCA Capital's primary goal is to create a portfolio of securities for a client that is aligned with their risk tolerance and portfolio goals and objectives by utilizing proprietary exchange-traded fund (ETF) models and/or third-party investment advisors. MCA Capital's ETF models have allocations ranging from 100% equities to 100% fixed-income. The selection of a specific model will depend largely on macro conditions and/or clients' objectives. With regard to the review and selection of individual ETFs in a model or portfolio, a screen is used to filter ETFs based on their cost and historical track record using absolute returns and quartile performance relative to other ETFs within the category. Other factors considered include an ETF's size, track record, tax efficiency and security selection methodology.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** is an investment approach that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

MCA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Exchange Traded Fund (ETF):** An ETF is a security that trades on an exchange during market hours and typically seeks to track an index, commodity, or a basket of assets like an index fund. However, some ETFs are actively managed and do not seek to track a certain index or basket of assets. ETFs may trade at a premium or discount to their Net Asset Value ("NAV") and may also be affected by market fluctuations of their underlying investment holdings. ETFs may also have unique risks depending on their structure and underlying investments.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Real Estate** funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend

to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

**Hedge Funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws. Liquidity risk and the absence of a secondary market are significant risk factors.

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

### A. Criminal or Civil Actions



There are no criminal or civil actions to report.

**B. Administrative Proceedings**

There are no administrative proceedings to report.

**C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

**A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither MCA Advisors and MCA Capital nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

**B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither MCA Advisors and MCA Capital nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

**C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

MCA Advisors offers Canadian and US tax preparation. From time to time, MCA Advisors may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Clients should also be aware that MCA Advisors may use sub- contractors to complete tax preparation services. MCA Advisors and MCA Capital always act in the best interest of the client and clients are in no way required to the services of any representative of MCA in connection with such individual's activities outside of MCA.

**D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

MCA Advisors will refer clients to third-party money managers and will be

compensated via a fee share from those advisers. This relationship will be disclosed in each contract between MCA Advisors and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that MCA Advisors has an incentive to direct clients to the third-party money managers that provide MCA Advisors with a larger fee split. MCA Advisors will always act in the best interests of the client, including when determining which third-party manager to recommend to clients. MCA Advisors will ensure that all recommended advisers or managers are licensed or notice filed in the states in which MCA Advisors is recommending them to clients.

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

### **A. Code of Ethics**

MCA has a written Code of Ethics that covers the following areas: Conflicts of Interest, Gifts and Entertainment, Confidentiality, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions.

A copy of the Code of Ethics will be provided to the Client or prospective Client upon request.

### **B. Recommendations Involving Material Financial Interests**

MCA does not recommend that clients buy or sell any security in which a related person to MCA or MCA has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

MCA and its representatives may, in rare instances, buy or sell securities for themselves that they also recommend to clients. Please see Item 11D below for more information.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

As noted above, in rare instances, representatives of MCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of MCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, MCA will never

engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

MCA Capital and, to a limited extent, MCA Advisors will generally effect securities transactions in client accounts through the client's respective custodian. The factors MCA considers in recommending a custodian include the ability to achieve best execution, including price-improvement, the ability to hold in custody and settle Canadian securities, and the custodian's currency exchange rates.

#### ***1. Research and Other Soft-Dollar Benefits***

MCA receives no research, product, or services from a broker-dealer or third-party ("soft dollar benefits").

#### ***2. Brokerage for Client Referrals***

MCA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

MCA does not have any directed brokerage arrangements.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

When possible, MCA will generally aggregate or block trades on behalf of multiple client accounts in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. MCA allocates trading costs and commissions on a pro-rata basis for trades that are bunched or blocked. The basis for the allocation will be the percentage of the total trade that is executed on behalf of each client. Clients will pay a percentage of the total transaction cost equal to the percentage of the securities allocated to their account. MCA charges the average price of the securities for trades that are blocked or bunched on behalf of multiple clients.

MCA generally allocates partially filled orders to buy or sell securities on behalf of multiple clients on a pro-rata basis. Each client will receive the quantity of securities equal to the percentage of the total order that is filled for MCA clients.

Similarly, if MCA receives less than a full allocation of securities that are part of an initial public offering, the securities will generally be allocated among clients on a pro-

rata basis. Each client that was part of the original order will receive the quantity of securities equal to the percentage of the total order that is filled for MCA clients. Any residual is individually subtracted from the largest allocated quantities in sequence until fully allocated. Where allocations are very small, the allocation may be made in any reasonable manner.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

*(MCA Advisors)*

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Matthew C. Altro, President & Chief Executive Officer. In most cases, only one level of review is conducted to create the financial plan.

*(MCA Capital and MCA Advisors)*

Review of investment advisory accounts is done on a quarterly, semi-annual, or annual basis, as specified in the client relationship agreement/investment advisory agreement/engagement letter.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of MCA Advisors will receive the financial plan upon completion. Clients of MCA Capital receive quarterly statements in addition to statements from the respective custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

MCA receives compensation from third-party advisers to which it refers clients. Please

see Item 10 for more information.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

MCA does not compensate non-advisory personnel (solicitors) for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at the client's custodian, MCA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Otherwise, MCA does not take custody of client accounts at any time. Clients' assets and funds are held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements.

### **Item 16: Investment Discretion**

For those client accounts where MCA will have investment discretion, the client has given MCA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of the relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides MCA discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

MCA generally does not vote client proxies as the firm's subadvisors receive and vote these proxies in most cases. However, in certain cases where the firm is directly investing in ETFs on behalf of clients, MCA will vote proxies for those securities and will ensure that, in doing so, it acts solely in the best interest of clients.

MCA has established general guidelines for voting proxies. MCA may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals may vary, MCA may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a material conflict of interest between MCA and a client, MCA will determine how to vote that proxy and the manner in which the conflict of interest will be disclosed to the client. Clients may obtain a complete copy of the proxy voting policies and procedures by contacting MCA in writing and requesting such information. Each client may also

request, by contacting MCA in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

## **Item 18: Financial Information**

### **A. Balance Sheet**

MCA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither MCA nor its management has any financial condition that is likely to reasonably impair MCA's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

MCA has not been the subject of a bankruptcy petition in the last ten years.