

Introduction

McGowan & Co., LLP ("McGowan") is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

McGowan provides personalized investment management services. The firm provides financial advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and businesses.

When McGowan is engaged to provide asset management services on a non-discretionary basis, McGowan will monitor the accounts to ensure that they are meeting the client's asset allocation requirements. If any changes are needed, changes to the account will not be made until McGowan has confirmed with the client (either verbally or in writing) that the proposed change is acceptable to the client. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. Clients may at any time place restrictions on the way their account is managed.

In limited circumstances, a client may engage McGowan to provide investment management services on a discretionary basis. We monitor the accounts in the same way as for non-discretionary services. The difference is that if changes to the account are needed, McGowan will make the changes without the client's prior authorization.

Each client account is separately managed and invested according to that client's investment objectives. Once each account's objectives are ascertained, McGowan will develop a set of asset allocation guidelines. An asset allocation guideline is a percentage-based allocation among different types of assets (asset classes). Once the client's asset allocation guidelines are established, a selection of appropriate securities types is selected. The broad categories of securities McGowan works with are: are individual stocks, bonds, ETF's (exchange traded funds) and mutual funds, options, variable annuities, partnerships, US government securities, Certificates of Deposit, and commercial paper.

For more detailed information, please refer to our Disclosure Brochure, the ADV Part 2A, under Item 4 Advisory Business and Item 7 Types of Clients, which can be found by [CLICKING HERE](#).



"Given my financial situation, should I choose an investment advisory service? Why or why not?"



"How will you choose investments to recommend to me?"



"What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?"

What fees will I pay?

Asset Management fees will range from 0.50% to .90% per annum depending on the size of the account. Because we charge based on a percentage of the assets we manage, the more assets in your account, the higher the dollar amount your fees will be. McGowan requires each account to have a minimum of \$1,000,000. However, McGowan may waive this minimum in its discretion.

Investment management fees will be debited directly from each client's account. The advisory fee is paid quarterly, in arrears, and the value used for the fee calculation is the gross value as of the last market day of the previous quarter. This means that if your annual fee is .90%, then each quarter we will multiply the value of your account by .90% then divide by 4 to calculate our fee. Any deposits or withdrawals in excess of \$10,000 will be taken into account as part of the calculation. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to McGowan. Clients may also be billed for services and write checks as a form of payment.

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to McGowan's fee.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more specific information regarding our fees, please refer our Disclosure Brochure, the ADV Part 2A under Item 5 Fees and Compensation by [CLICKING HERE](#).



“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

Because McGowan calculates clients' fees based on the gross value of the account, a potential conflict of interest exists in the inclusion of margined securities in the value of a client's account for the purpose of calculating fees, because doing so incentivizes an adviser to encourage clients to trade on margin. This conflict is mitigated, however, by our fiduciary duty to our clients.

McGowan's Principals are Managing Members of McGowan and Co., LLC, a certified public accounting firm and receive compensation from these activities. The owners therefore have an incentive to recommend that clients utilize McGowan and Co., LLC for accounting and tax preparation services based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for accounting and tax preparation services is therefore a conflict of interest. McGowan attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to engage other companies or professionals that are not affiliated with McGowan and Co., LLC. McGowan also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of McGowan, requiring employees to put the interests of clients ahead of their own.

For more specific information regarding compensation and conflicts, please refer our Disclosure Brochure, the ADV Part 2A under Item 10 Outside Affiliations by [CLICKING HERE](#).



“How might your conflicts of interest affect me, and how will you address them?”

How do your financial professionals make money?

Financial professionals of McGowan are paid a portion of the asset management fees collected from clients. Financial professionals are not rewarded sales bonuses.

Do you or your financial professionals have legal or disciplinary history?

No. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>.



“As a financial professional, do you have any disciplinary history? For what type of conduct?”

Additional Information

Additional information about our investment advisory services can be found at <https://www.mcgowanco.com> or by [CLICKING HERE](#). A copy of our relationship summary can also be requested by calling (610) 520-2400.



“Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”