



**Part 2A Appendix 1 of Form ADV:  
Wrap Fee Program Brochure**

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McLaughlin Ryder Investments, Inc., is an SEC-registered investment adviser.  
This registration does not imply any level of skill or training.

December 31, 2023

This wrap fee program brochure provides information about the qualifications and business practices of McLaughlin Ryder Investments, Inc. If you have any questions about the contents of this brochure, please contact us at: 703-684-9222 or [ccucharale@mclaughlinryder.com](mailto:ccucharale@mclaughlinryder.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority.

Additional information about McLaughlin Ryder Investments, Inc., is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using the Firm's CRD number: 147529.

**Item 2 – Summary of Material Changes**

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McLaughlin Ryder (also referred to as “MRI”) Wrap Fee Program Brochure was last updated on March 25, 2023. This section will note any material changes that may have been made since the last printed brochure. Please note the following changes that have occurred:

- McLaughlin Ryder does not have any material changes at this time.

**Future Changes**

From time to time, McLaughlin Ryder may amend this Wrap Fee Program Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure and summary of material changes shall be provided to you annually, or if a material change occurs.

At any time, you may view MRI's current ADV Part II Disclosure and Wrap Fee Program Brochures online at the SEC's Investment Adviser Public Disclosure website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by searching with the Firm's name or by our CRD# 147529. You may also request a copy of these at any time, by contacting McLaughlin Ryder at: (703) 684-9222.

MRI will further provide you with a new brochure or a summary of material changes, free of charge, as necessary.

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## Item 4 – Services, Fees, and Compensation

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MRI sponsors a number of wrap fee advisory programs that are designed to help clients meet their investment objectives and goals. They include Third-Party Management Programs, Financial Professional Directed Discretionary Programs and Non-Discretionary Client Directed Advisory Programs, which are described in this brochure. MRI also offers Financial Planning and ERISA Plan Advisory Services; descriptions of the services and fees can be found in our ADV Part 2A Disclosure brochure, copies of which are available upon request.

A wrap fee program, is an investment account where the client is charged a single, bundled, or “wrap” fee, for investment advice, brokerage services, administrative expenses, and other fees and expenses. While wrap fee programs may be called different names, such as asset allocation program, asset management program, investment management program, or separately managed account. The defining feature is that a wrap fee program offers bundled investment management and brokerage services for one fee. Regardless of which wrap fee program selected, the contact regarding a wrap fee program and investment advisory account with MRI, will be the client’s Financial Professional.

Wrap fee programs can be either **Discretionary or Non-Discretionary**. A Discretionary investment advisory account is an account where buy and sell decisions are made by a portfolio manager, or the Financial Professional for the account. The term “discretionary” refers to the fact that investment decisions are made at the portfolio manager or Financial Professional’s discretion. A Non-Discretionary investment advisory account, is an account where buy and sell decisions are made by the client. This means that the client must direct all transactions to be completed on an account. The Financial Professional or portfolio manager does not have the ability to complete transactions without first getting permission from the client.

MRI is registered as a SEC Investment Advisor and also as a Broker Dealer. All clients who wish to enroll in a wrap fee program with MRI are required to establish a brokerage account for this purpose. The wrap fee programs offered by MRI are a combination of proprietary programs and also programs offered through MRI’s clearing firm, Pershing. Some programs may include the services of an outside third-party investment managers. Regardless of which wrap fee program selected, the contact regarding a wrap fee program and investment advisory account with MRI, will be the client’s Financial Professional.

### ***Fiduciary Duty and Regulation Best Interest***

McLaughlin Ryder provides advisory services to individuals, families, trusts, estates, charitable organizations, businesses, and retirement plans (each referred to as a “Client”). McLaughlin Ryder provides individualized services to each Client, which are determined during initial conversations, and updated over the course of the relationship, as needed, or requested by the Client.

McLaughlin Ryder serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Firm upholds a duty of care, loyalty, fairness, and good faith towards each Client, and seeks to mitigate potential conflicts of interest. Each investment adviser must always serve the best interest of their client and not subordinate their client’s interest to their own. The fiduciary duty follows the contours of the relationship between the adviser and their client, and the adviser and the client may shape that relationship by agreement, provided there is full and fair disclosure and informed consent.

An investment adviser’s duty of care includes the: (1) duty to provide advice that is in the best interest of the client; (ii) duty to seek best execution of a client’s transactions where the adviser has the responsibility to select broker-dealers to execute client trades; and (iii) duty to provide advice and monitoring over the course of the relationship.

The duty to provide advice that is in the best interest of the client, includes a duty to provide advice that is suitable for the client, based on a reasonable understanding of the client’s financial and investment profile and objectives. At all times, the adviser must have a reasonable belief that the advice they are providing is in the best interest of the client and seek best execution of a client’s transactions where the investment adviser has the responsibility to select broker-dealers to execute client trades and not place its own interest ahead of its client’s interests. The adviser also has the duty to provide advice and account monitoring over the course of the relationship.

The duty of loyalty includes the obligation of an investment adviser, including the: (i) duty to make full and fair disclosure of all material facts regarding the relationship, including the capacity in which the Firm is acting (investment adviser or broker-dealer); (ii) duty to not favor its own interests ahead of its clients; and (iii) duty to identify conflicts and attempt to mitigate or eliminate those conflicts of interest, and, in the case where the conflict cannot be eliminated, disclose such conflict of interest to the client.

McLaughlin Ryder's fiduciary commitment is further described in the Firm's Code of Ethics; for more information, please see the Firm's Form ADV Part 2A Disclosure Brochure.

### **Investment Management Services**

McLaughlin Ryder is committed to providing choices in how a client does business with us. We offer a broad range of advisory programs designed to suit the level of involvement preferred, in the day-to-day management of a client's investments.

McLaughlin Ryder collaborates closely with each Client to identify their investment goals and objectives, as well as risk tolerance and financial situation, in order to create a portfolio strategy. The advisory consultation may encompass one or more areas of need, including, but not limited to: financial position, risk tolerances, capital appreciation objectives, income and liquidity requirements, tax considerations, employee benefits, investment analysis, insurance analysis, retirement analysis, death and disability considerations, investment horizon, and estate planning.

McLaughlin Ryder will then construct a portfolio, primarily consisting of:

- active and passive mutual funds;
- exchange-traded funds ("ETFs");
- individual equity securities;
- individual fixed income securities;
- Certificates of Deposit; and,
- other types of investments, as appropriate to meet the needs of each Client.

Evaluation of legacy investments will include a review of portfolio, tax situation, and other considerations. The Firm may retain certain legacy investments based on portfolio fit and/or tax considerations.

Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Firm. McLaughlin Ryder will construct, implement, and monitor the portfolio on either a discretionary or non-discretionary basis, with respect to the Client's advisory agreement. At no time will McLaughlin Ryder accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client Investment Advisory Agreement. For more information about the Firm's brokerage practices, please see Firm's Form ADV Part 2A Disclosure Brochure.

McLaughlin Ryder serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Firm upholds a duty of care, loyalty, best interest, fairness, and good faith towards each Client, and seeks to mitigate potential conflicts of interest. MRI's fiduciary commitment is further described in the Firm's Code of Ethics; for more information, please see the Firm's Form ADV Part 2A Disclosure Brochure.

McLaughlin Ryder will collaborate with Clients to implement recommendations and referrals to other professionals, as appropriate, to meet the Clients' needs.

### ***How Services are Tailored to Fit Client Needs***

MRI's investment policy process is centered on the client. We collaborate with our clients to understand their financial circumstances and goals. Throughout this process, our Financial Professionals work with the clients to create a specific plan tailored to their needs and goals. Specifically, our Financial Professionals focus on translating client goals into a set of investment objectives. These objectives involve risk tolerance from both a willingness and ability to accept financial risk, as well as return objectives.

Once determined, these investment objectives provide a framework for MRI to discuss with the client the processes we will utilize for monitoring, reviewing, and rebalancing their account. The Financial Professional will collaborate with the client to determine:

- How performance will be measured for the account.
- Benchmarks and the frequency of reporting the client would like to see.
- A plan for when and how often the client would like to meet with the Firm to discuss their account.

Clients may stipulate if they would like to restrict the Firm from purchasing certain products or securities in their account. The Firm will comply with any reasonable instructions and/or restrictions provided by the client, when making recommendations for their account. Reasonable instructions generally include the designation of particular mutual fund/securities, or types of mutual funds/securities that should not be purchased for the account.

If the restrictions are unreasonable, or if the Firm believes that the restrictions are inappropriate, the Firm will notify the client that, unless they are modified, we may remove their account from the program. Clients will not be able to provide

instructions that prohibit or restrict the investment adviser of a security, with respect to the purchase or sale of specific securities, or types of securities within the security itself.

### ***Client Account Management***

Prior to engaging McLaughlin Ryder to provide investment advisory services, each Client is required to enter into one or more agreements with the Firm, which defines the terms, conditions, authority, and responsibilities of the Firm and the Client. These services may include:

- **Establishing an Investment Strategy** – McLaughlin Ryder, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- **Portfolio Construction** – McLaughlin Ryder will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- **Investment Management and Supervision** – McLaughlin Ryder will provide investment management and ongoing oversight of the Client's investment portfolio. McLaughlin Ryder will review Client portfolios at least annually.
- **Financial Planning** – McLaughlin Ryder provides initial and ongoing planning services, to assist Clients in meeting the financial goals.

### **Fees and Compensation**

The following paragraphs detail the fee structure and compensation methodology for Wrap Fee Program services, provided by the Firm. Each Client engaging the Firm for services described herein, shall be required to enter into one or more written agreements with the Firm. Also, no matter what structure of compensation a firm receives for managing customer's assets, conflicts of interest are inevitable. MRI attempts to avoid, mitigate, or eliminate these conflicts whenever possible, and, if not feasible, disclose these conflicts to our customers. The primary means we have of disclosing these conflicts of interest to our customers is through this brochure, which is updated not less than annually.

### ***Portfolio Management Services***

MRI is an investment-based adviser. We offer our clients several different Wrap Fee Programs that contain different investment options, as well as different fee structures. The fees for the Wrap Fee Programs are annualized, based on a percentage of the dollar value of the assets under management in the account. All securities held in accounts, managed by McLaughlin Ryder, will be independently valued by the Custodian. McLaughlin Ryder will not have the authority or responsibility to value portfolio securities.

Fees are based on several factors including the scope and complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Adviser. Some of the wrap fees are negotiable. This Wrap Fee Program Brochure details the various fees associated with each program, and whether the fees are negotiable or not for each specific program.

At inception, the advisory fees are billed from the date the Client account is opened, through the end of that calendar quarter in advance. Thereafter, fees are billed in advance for the next calendar quarter, based on the value of the assets at the end of the prior calendar quarter. The advisory fees may be householed for billing purposes.

Clients will be provided with a statement, at least quarterly, from the Custodian, reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees, as listed on the Custodian's brokerage statement, as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by McLaughlin Ryder to be paid directly from their account[s] held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

The fees for advisory programs are asset-based and assessed quarterly in advance. There may be a minimum fee to maintain this type of account. Fees include advisory services, performance measurement, transaction costs, custody services, and trading. These fees do not cover the fees and expenses of any underlying exchange traded fund (ETF), closed-end funds, or mutual funds in the portfolio. Advisory accounts are not designed for excessively traded or inactive accounts and are not suitable for all investors. Please carefully review the Firm's Form ADV Part 2A Disclosure Brochure and/or account paperwork, for a full description of our services, including fees and expenses. The minimum account size for these programs is between \$10,000 and \$250,000.

Clients should be aware that if they elect to have a margin debit balance on their account, it will not reduce the market value of the eligible assets. The use of margin is not suitable for all investors since it increases leverage in the client's account and therefore it's a risk. Please review the Margin Disclosure Statement, and General Account Agreement & Disclosure document, from MRI'S Third-Party Custodian, Pershing, for more details on risks of margin use.

**Other Fees and Expenses**

No matter what structure of compensation a firm receives for managing customer's assets, conflicts of interest are inevitable. MRI attempts to avoid these conflicts whenever possible, and, if not feasible, disclose these conflicts to our customers. The primary means we have of disclosing these conflicts of interest to our customers is through this brochure, which is updated not less than annually. Clients have the option to purchase investment products that MRI recommends through other brokers or agents, who are not affiliated with the Firm. Clients should be aware that similar or comparable services may be available from other sources, including other investment advisers, for fees lower than those charged by MRI.

Clients may also incur certain charges imposed by third-parties, other than MRI, in connection with investments made through the account, including, but not limited to: surrender charges, and IRA and qualified retirement plan fees. In some instances, MRI receives a portion of these charges. Clients will incur direct fees (e.g., management fees) and expenses for investments in mutual funds, ETFs, closed-end funds, UITs, and/or money market funds. Such fees and expenses are included in the price of a fund, and are described in each fund prospectus.

**Mutual Funds Information**

In addition to MRI's investment advisory fees, clients will also incur, if they hold mutual funds within the investment advisory account, normal expenses and advisory fees imposed by the mutual funds held in the account (please refer to the fund's prospectus for additional information regarding fund fee and expenses). Some mutual funds impose fees if they are sold prior to their short-term holding periods. Short term trading fees are detailed in each mutual fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage, and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of McLaughlin Ryder, but would not receive the services provided by McLaughlin Ryder, which are designed, among other things, to assist the Client in determining which products or services are most appropriate for the Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s], and the fees charged by McLaughlin Ryder, to fully understand the total fees to be paid. For additional information about Brokerage Practices, please refer to the Firm's Form ADV Part 2A Disclosure Brochure.

Depending on the type of shares held by clients, the applicable fund, or other investment company and/or its affiliates, will make certain payments to MRI in connection with the clients' investments in the product. MRI strives to invest client investment advisory account assets in share classes that do not pay MRI additional compensation for distribution and related services (e.g., 12b-1 fees). For example, MRI has access to various mutual fund companies, such as access to "advisory class" and/or "institutional class" shares of the funds (i.e., those share classes that do not pay a 12b-1 fee), and we are typically able to convert non-advisory share classes (i.e., those with a 12b-1 fee) held in client investment advisory accounts into the desired share classes. Notwithstanding the foregoing, certain mutual funds may not offer advisory share classes, or certain client accounts may not be eligible for that share class. ***In such cases, any 12b-1 payment received by MRI, will be rebated to the respective advisory client account by our custodian Pershing.***

**Third-party Custodian Information**

Clients may also incur brokerage and/or other transaction costs from the custodian. These costs include, but are not limited to: handling fees, wire transaction fees, and check writing expenses. For more information regarding the costs that are charged to a client from MRI's Third-Party Custodian, Pershing, please refer to the new account opening disclosure documents sent by Pershing.

MRI has a revenue sharing agreement on file with Pershing, regarding fees collected from margin interest, Pershing's NTF mutual fund platform, cash balances/sweep accounts, handling, and other miscellaneous fees. This arrangement gives rise to a conflict of interest; MRI has an incentive to steer client assets to the Pershing's money market sweep funds that generate such revenue, rather than to products or custodians that do not generate such revenue. Clients should understand that the receipt of these distribution fees will result in higher compensation to MRI. It will also cause clients investing in these money market funds, to incur higher ongoing costs and lower performance compared to other lower-cost cash sweep products, which are made available by Pershing or by other custodians.

Notwithstanding this conflict, MRI does not believe that this arrangement interferes with its provision of advice to clients, because of its practices and controls. The Firm periodically reviews the fees it has negotiated with Pershing, against the services it receives. Also, MRI periodically samples client accounts to ensure investment activity, including any uninvested cash balances or allocation to cash, and it is consistent with their stated needs, objectives, and financial situation.

MRI's NTF revenue-sharing agreement with Pershing, and the existence of various fund share classes with lower internal expenses that MRI may not make available for purchase in its managed accounts, present a conflict of interest between clients and MRI or its Financial Professionals. A conflict of interest exists because MRI and the Financial

Professionals have a greater incentive to make available, recommend, or make investment decisions regarding investments that provide additional compensation to MRI that cost clients more than other available share classes in the same fund that cost less. For those funds where Pershing assesses transaction charges to MRI, a conflict of interest exists, because MRI has a financial incentive to recommend or select NTF funds that do not assess transaction charges; they cost more in internal expenses than funds that do assess transaction charges but cost less in internal expenses.

MRI maintains relationships with certain mutual funds sponsors that provide additional benefits to MRI, as part of those relationships. Benefits include but are not limited to: due-diligence trips whereby the sponsor will cover travel and entertainment expenses for MRI associates; and, client events whereby the sponsor will pay all or a portion of the expenses associated with such events. These relationships do not impact the fees and expenses generally associated with client investments; however, they do present a conflict of interest for MRI, because this provides an additional incentive for MRI to utilize the funds of sponsors that provide ongoing support to MRI.

MRI has implemented a compliance program to monitor its compensation arrangements. We review whether client assets are invested in, what we believe, are the best available mutual funds for the strategies we are implementing and monitoring. As always, please see a fund's prospectus for more information about fees.

#### **PORTFOLIO MANAGEMENT (WRAP ACCOUNT) FEES**

The annualized fee for Portfolio Management Services (advisory wrap fee programs) is charged as a percentage of assets under management (AUM), according to the below schedules. MRI reserves the right to waive any applicable minimum initial and/or subsequent investment requirements, in its sole discretion.

##### ***The McLaughlin Ryder ELITE Program***

- Multiple-style portfolios;
- Non-Discretionary or Discretionary;
- Mutual fund, equity, and fixed income;
- Professional investment management;
- Ongoing portfolio oversight; and,
- Minimum Initial Account Size to enroll in the program: \$250,000.

<b>Assets Under Management</b>	<b>Annual Fee (%)</b>
\$250,000 - \$499,999	1.25%
\$500,000 - \$999,999	1.10%
\$1,000,000 - \$1,999,999	1.00%
\$2,000,000 - \$2,999,999	0.90%
\$3,000,000 - \$3,999,999	0.75%
\$4,000,000+	Negotiable

In certain limited instances, we may negotiate a customized fee schedule with clients, based on a multi-account asset aggregation formula (where we combine assets from a client's "family" of accounts with MRI), that is different than the fees described herein. Fees for this investment advisory program are calculated on a quarterly basis, based on the value of assets held in the account on the last business day for the previous month.

A portion of the fees charged for this program will be paid to the Financial Professional, in connection with the opening of this account, as well as for providing client-related services within the program. This compensation may be more or less than the Financial Professional would receive, if paid separately for investment advice, brokerage, and other services.

##### ***Lockwood Wealth Start Portfolios***

- Discretionary mutual fund/ETF account;
- Investment minimums and professional management for emerging investors;
- Ongoing Portfolio Oversight; and,
- Minimum Initial Account Size to enroll in the program: \$10,000, with minimum subsequent investments of \$1,000 each.



<b>Assets Under Management</b>	<b>Annual Fee %</b>
First \$500,000	1.40%
Next \$500,000	1.35%
Over \$1,000,000	1.25%
Program fees include the Third-party fee + MRI advisory fee.	

The Wealth Start Portfolios program is a discretionary, multi-discipline managed account program, housed in a single portfolio. Lockwood serves as Manager, determines asset allocation strategy, and selects investment vehicles for each investment style component of the Wealth Start Portfolios program, and is based on proprietary models (“Models”). The Wealth Start Portfolios program currently consist of twelve core Models. Currently, the Wealth Start Portfolios program consists of exchange-traded funds, but may include mutual funds, exchange-traded notes, and other types of securities, as determined by Lockwood. Each of the Models is described further in the Lockwood Brochure.

A portion of the fees charged for this program will be paid to the Financial Professional in connection with the opening of this account, as well as for providing client-related services within the program. This compensation may be more or less than the Financial Professional would receive, if paid separately for investment advice, brokerage, and other services.

#### **Lockwood/American Funds Core Portfolios**

- Discretionary Account of actively managed American Funds blended with ETFs;
- Three objectives-based portfolios designed for accumulation, transition, and retirement;
- Uses American Funds F3 share class and ETFs to keep fees low; and,
- Minimum Initial Account Size to enroll in the program: \$10,000, with minimum subsequent investments of \$1,000 each.

<b>Assets Under Management</b>	<b>Annual Fee %</b>
First \$500,000	1.75%
Next \$500,000	1.60%
Over \$1,000,000	1.35%
Program fees include the Third-party fee + MRI advisory fee.	

The Lockwood/American Funds Core Portfolios is a discretionary mutual fund and ETF wrap account product, housed in a single portfolio. Lockwood serves as Manager, allocates Client assets systematically across multiple asset classes and styles using American Funds, mutual funds, and other select ETFs. The securities currently used in the Lockwood/American Funds Core Portfolios, are subject to change at Lockwood’s sole discretion. Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style in the portfolio, based upon proprietary modeling strategies, economic outlook, and investment research discipline.

A portion of the fees charged for this program will be paid to the Financial Professional in connection with the opening of this account, as well as for providing client-related services within the program. This compensation may be more or less than the Financial Professional would receive, if paid separately for investment advice, brokerage, and other services.

#### **Lockwood Asset Allocation Portfolios (LAAP)**

- Multiple-style portfolios;
- Discretionary mutual fund/ETF account;
- Professional investment management;
- Ongoing portfolio oversight; and,
- Minimum Initial Account Size to enroll in the program: \$50,000, with minimum subsequent investments of \$1,000 each.

<b>Assets Under Management</b>	<b>Annual Fee %</b>
First \$500,000	1.75%
Next \$500,000	1.60%
Next \$4,000,000	1.30%

Next \$5,000,000	1.00%
Over \$10,000,000	Negotiable
Program fees include the Third-party fee + MRI advisory fee.	

The LAAP program is a discretionary, multi-discipline managed account program, housed in a single portfolio. Lockwood serves as Manager, determines asset allocation strategy, and selects investment vehicles for each investment style component of the LAAP, based on proprietary models. The LAAPs consist of five core models (“Models”), which may consist of mutual funds, exchange-traded funds, and other types of securities, as determined by Lockwood. Each of the Models is described further in the Lockwood Brochure.

A portion of the fees charged for this program will be paid to the Financial Professional in connection with the opening of this account, as well as for providing client-related services within the program. This compensation may be more or less than the Financial Professional would receive, if paid separately for investment advice, brokerage, and other services.

#### **Lockwood Adviser Flex Portfolios (AFP)**

- Discretionary flexible mutual fund/ETF wrap account;
- Objectives-based investment strategies;
- Portfolios tailored to meet investor needs; and,
- Minimum Initial Account Size to enroll in the program: \$50,000, with minimum subsequent contributions of \$1,000 each.

Assets Under Management	Annual Fee %
First \$500,000	1.75%
Next \$500,000	1.60%
Over \$1,000,000	1.35%
Program fees include the Third-party fee + MRI advisory fee.	

Via the AFP Program, Lockwood serves as the Manager, and makes a series of objectives-based strategies available. The AFP Program consists of 16 model portfolios (“Models”) created by Lockwood, which may be customized for a Client’s portfolio by selecting from a variety of investments, including mutual funds, exchange-traded funds (ETFs), and exchange-traded notes (ETNs), in multiple asset classes. Each of the Models is described further in the Lockwood Brochure.

A portion of the fees charged for this program will be paid to the Financial Professional in connection with the opening of this account, as well as, for providing client-related services within the program. This compensation may be more or less than the Financial Professional would receive, if paid separately for investment advice, brokerage, and other services.

#### **Lockwood Investment Strategies**

- Discretionary unified managed account;
- Tax-sensitive models available;
- Analyzes risk exposure across all holdings; and,
- Minimum Initial Account Size to enroll in the program: \$100,000, with minimum subsequent investments of \$2,500 each.

Assets Under Management	Annual Fee %
First \$500,000	2.05%
Next \$500,000	1.80%
Next \$4,000,000	1.40%
Next \$5,000,000	1.10%
Over \$10,000,000	Negotiable
Program fees include the Third-party fee + MRI advisory fee.	

The Investment Strategies program is a discretionary, multi-discipline managed account program, which is housed in a single portfolio. The Investment Strategies program's investment strategies consist of five core models and variations thereto, which span the risk/return spectrum ("Models"). In the Investment Strategies program, Lockwood acts as Manager and uses various Model Providers, providing strategy-specific Models. Lockwood exercises discretion over the Client Accounts' assets managed under the Investment Strategies program. Each of the Models is described further in the Lockwood Brochure. Each Model may include equities, mutual funds, and exchange-traded funds, and other types of securities, as determined by Lockwood.

A portion of the fees charged for this program will be paid to the Financial Professional in connection with the opening of this account, as well as, for providing client-related services within the program. This compensation may be more or less than the Financial Professional would receive, if paid separately for investment advice, brokerage, and other services.

**Program Fees Negotiable:** The Program Fees are negotiable, based on a number of factors that may result in a particular client paying a fee less than the standard fee. The fee rate each client will pay, is in the client's Investment Advisory Agreement. Some clients may pay more or less than others depending on certain factors, including the type and size of the account, complexity of account, the range of services selected by the client, MRI, and the total client relationship assets under management. Additional charges may apply, as disclosed in writing by either MRI or Lockwood.

**Program Fee Change:** MRI and/or Lockwood may change the Program Fees for any client by notice to client, as permitted by the client/MRI and/or client/Lockwood Agreement(s), and as may be required by applicable laws, rules, and regulations.

#### **Risk in the Use of Margin**

To the extent margin is used in an account, the client should be aware that the margin debit balance does not reduce the market value of eligible program assets. If margin is used to purchase additional securities, the total value of eligible program assets increases. Therefore, the asset-based fee will increase. In addition, the client will be charged margin interest on the debit balance in the account.

The increased asset-based fee that a client will pay, may provide an incentive for the Financial Professional to recommend the use of margin, which would present a conflict of interest. However, the Firm intends to make all recommendations independent of such considerations and based solely on the obligations to consider the objectives, needs, and what is in the client's best interest. Please note that using margin is not suitable for all investors; the use of margin increases leverage in an account, therefore increases its risk. Please see the Margin Disclosure Statement, and the New Account Disclosure Documents, for more details on the risks of margin use.

#### **Additional Considerations Associated with Pledging Advisory Accounts**

In addition to the risks mentioned above, with respect to investment advisory account(s) that are pledged or otherwise used as collateral for margin, the exercise of our rights and powers over the assets in an advisory account(s), including the disposition and sale of any and all assets pledged as collateral may be contrary to a client's interests and the investment objective of the advisory account(s). Any recommendation to use margin, as well as the related compensation that the Firm or its affiliate may receive, could create conflicts of interest between the client and the Firm or, if applicable, its affiliate. For example, such recommendations to use margin could result in a situation in which the Firm is required, by Pershing (the clearing firm), to liquidate securities that the client would otherwise not sell, which may not be in the client's best interest to sell, in order to satisfy a maintenance call. MRI or a third-party money manager will seek to manage the client's advisory account(s), as agreed under their advisory program agreement(s), provided that, if a maintenance call takes place, MRI or the money manager may not be able to manage the advisory account(s) consistent with MRI, or the money manager's overall strategy. Under the advisory program agreement(s), any action taken by Pershing or by MRI, as requested by Pershing, against the assets in the client's advisory account(s), pursuant to the use of margin, will not constitute a breach of our fiduciary duties as an investment adviser to the client. In addition, the costs associated with using margin including the costs associated with a maintenance call, are not included in the advisory program fees.

#### **Account Termination**

Upon written notice, Client Agreements may be terminated by either party, at any time. If the client terminates the Agreement for an investment advisory program, prior to the end of a quarter, where a fee is charged on a quarterly basis in advance, a pro rata refund will be made for the investment advisory account, less reasonable start-up costs. In the event MRI cancels the Client Agreement, fees previously paid to them, per the investment advisory program Fee Schedule, will be refunded on a pro rata basis, as noted above, less reasonable start-up costs.

If the client chooses to terminate their Agreement with any of our investment advisory programs, MRI can liquidate the client's account, if the client instructs MRI to do so. If so instructed, MRI will liquidate the client's account in an orderly and efficient manner. MRI does not charge for such redemption; however, the client should be aware that certain mutual funds impose redemption fees, as stated in their fund prospectus. Also, the client should keep in mind that the decision to liquidate security issues or mutual funds, may result in tax consequences, which should be discussed with their tax adviser.

MRI is not responsible for market fluctuations in the client's account from the time of written notice, until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that may affect the orderly and efficient liquidation of an account, might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible, following their reopening. Due to the administrative processing time needed to terminate an advisory account, termination orders cannot be considered market orders. It may take several business days under normal market conditions to process the client's request.

Upon termination of the account, or transfer of the Advisory Share Class into a McLaughlin Ryder retail brokerage account, certain mutual fund shares may be required to be redeemed as part of the account termination, as stated in their prospectus.

If a program account is terminated, but the client maintains a brokerage account with the Firm, the money market fund used in a "sweep" arrangement, may be changed and/or the shares may be exchanged for shares of another series of the same fund. The client is subject to the customary brokerage charges for any securities positions sold in their account, after the termination of program services.

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

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McLaughlin Ryder offers several different Wrap Fee Programs. The account requirements for each of the wrap fee programs that we offer, are listed in Item 4 of this brochure titled *Services, Fees, and Compensation*.

McLaughlin Ryder provides the advisory services described in this brochure to the following types of clients:

- Individuals;
- High net worth individuals;
- Trusts;
- Estates;
- Charitable organizations; and,
- Corporations.

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

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MRI Financial Professionals (who may or may not act as portfolio managers) make wrap program recommendations to clients based upon an evaluation of the client's financial circumstances and investment objectives. MRI serves as the portfolio manager for the McLaughlin Ryder ELITE Wrap Program, which is offered to our clients. MRI generally requires that its Financial Professionals have passed the Series 65 Uniform Investment Adviser Law Examination, or the 66 Uniform Combined State Law Examination, as well as the Series 7 Registered Representative Examination. All available wrap programs are described in Item 4 of this Brochure. MRI does not select MRI Financial Professionals for a client, rather clients select the MRI Financial Professional they wish to work with.

For wrap programs offered through affiliates of Pershing, which utilize third-party portfolio managers, MRI does not select these portfolio managers for the clients. Rather, MRI selects which of the available Pershing affiliate wrap programs will be offered to MRI clients based upon the investment strategies and asset class investment opportunities available in each program. MRI is also responsible for designing and implementing MRI's proprietary wrap programs, the MRI ELITE Program.

Neither MRI nor a third-party, reviews portfolio manager performance information for any of our Wrap Fee Programs. Performance information may not be calculated on a uniform and consistent basis. Instead, MRI Financial Professionals review the performance of the assets held in a wrap fee program in relation to the overall account objectives and investment allocations.

#### **Services Tailored to Individual Client Needs**

All of our investment recommendations for program accounts are based on an analysis of individual financial needs. They are drawn from research and analysis that the Firm believes to be reliable and appropriate to the client's financial circumstances. Each of the advisory services we offer, is tailored to a specific type of investor, and designed to meet their individual investment objectives, financial needs, and tolerance of risk. A detailed description of these programs are provided in the "Services, Fees, Compensation and Account Requirements" section.

#### **Client Restrictions and Instructions**

MRI will comply with any reasonable instructions and/or restrictions that a client provides us, when making recommendations for their account. Reasonable instructions generally include the designation of mutual fund/securities, or types of mutual funds/securities that should not be purchased for the account.

If the restrictions are unreasonable, or if MRI believes that the restrictions are inappropriate, we will notify the client that, unless they are modified, we may remove the client's account from the program. The client will not be able to provide instructions that prohibit or restrict the investment adviser of a security, with respect to the purchase or sale of specific securities or types of securities within the security itself.

As it pertains to newly established program accounts, MRI's policy is generally to liquidate the client's existing securities portfolio immediately and reinvest the account in conformity with their target allocations. If the client wishes to hold certain positions for tax or investment purposes, the client should notify their McLaughlin Ryder Financial Professional, and potentially consider holding these positions in a separate account.

#### **Performance-Based Fees and Side-By-Side Management**

McLaughlin Ryder does not charge performance-based fees for our investment advisory programs. MRI does not have any side-by-side management arrangements.

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

MRI's primary investment strategy is to construct strategically allocated portfolios for our clients, based on the specific needs and goals of each client. We first determine a client's appropriate risk level, financial situation, investment goals, tax situation, and personal preferences (among other criteria). Then we construct investment portfolios considering these objectives. MRI uses a range of investment vehicles in client accounts, including mutual funds, index funds, exchange traded funds, and various fixed income investments.

To analyze specific investment opportunities, MRI uses several methods of research. We subscribe to a number of professional investment resources, and also use other sources of information including newspapers, magazines, fund company information, third-party research, annual reports, and prospectuses. We consider factors, such as historical performance, modern portfolio theory statistics, manager tenure, expense ratio, turnover ratio, tax exposure, quantitative analysis, qualitative analysis, and valuation metrics. For index funds and exchange traded funds, we also research factors, such as tracking error, liquidity, composition, rebalancing strategies, and index methodology and construction. For fixed income investments, we consider specific risk factors, such as credit quality, current yield and yield-to-maturity, tax implications, call exposures and general market conditions. This comprehensive research method ultimately concludes in a focus list of suitable investments.

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

MRI strives to develop diversified portfolios that significantly reduce risk for our clients. However, the methods we use to research investment opportunities, does not eliminate all of the risks associated with investing. Even after due diligence, using the above strategies and methods, it is possible that we may select investments that will not perform to its satisfaction, or may even lose value. Clients should be prepared to bear the risks of loss involved with our strategies and research methods.

Any type of investment, including equities, mutual funds, index funds, exchange traded funds, and fixed income carry risk. These investments have specific risk(s), and while MRI attempts to limit this risk(s) through research and diversification, we cannot completely eliminate the risk. Market risk, which cannot be diversified away, is another risk that will always be inherent when investing, and in the markets in general. Clients should be prepared to bear the risks of loss involved with investing in the markets and in different investment vehicles.

#### **Voting Client Securities**

MRI does not vote proxy statements for any investment advisory account. Proxy statement information is forwarded directly from Pershing, and/or the transfer agent, to the client's address of record for the account. Clients may contact their Financial Professional that handles their account, at any time, to ask questions regarding a proxy solicitation they have received.

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**Item 7 – Client Information Provided to Portfolio Managers**

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McLaughlin Ryder Investments, Inc., wrap account clients interact directly with their Financial Professional. All Clients must provide information on their investment objectives, financial circumstances, risk tolerance and any restrictions they may wish to impose on investment activities. MRI will contact the client periodically, to update their information and indicate if there have been any changes in their financial situation, investment objectives or instructions; and the client agrees to inform MRI of any material change in their financial circumstances that might affect the manner in which their assets should be invested. Your Financial Professional is always available for consultation on these matters. We will act on any changes deemed to be material or appropriate, as soon as practical, after we become aware of the change.

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**Item 8 – Client Contact with Portfolio Managers**

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The Financial Professional, who may or may not be their portfolio manager, will be able to assist the client with any questions regarding the investment advisory program they have selected. Clients do not have access to directly contact a portfolio manager for their account, unless the portfolio manager is their Financial Professional.

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**Item 9 – Additional Information**

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**Disciplinary Information**

There are no legal, regulatory, or disciplinary events involving McLaughlin Ryder, or any of its Supervised Persons. McLaughlin Ryder values the trust Clients place in our Firm. MRI encourages Clients to perform the requisite due diligence on any Financial Professional, or service provider the Client engages. The background of our Financial Professionals and the Firm, is available on the Investment Adviser Public Disclosure website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or <https://brokercheck.finra.org/> by searching with the Financial Professional's name, or in the case of MRI, our CRD #147529.

**Other Financial Industry Activities and Affiliations**

MRI is a dually registered firm, which means that we are both an Investment Adviser, as well as a Broker-Dealer. All of our Financial Professionals, management persons, and several support staff, are registered representatives of MRI's broker-dealer business. None of MRI management persons, Financial Professionals, or employees are registered, associated with, or have an application pending to register, as a futures commission merchant, commodity pool operator, or a commodity trading adviser.

MRI's status as a broker-dealer is material to its advisory business. All securities transactions for advisory clients resulting from advisory recommendations made by MRI, are affected through MRI in its broker-dealer capacity. This includes all securities transactions effected for advisory clients investing through one of the wrap fee programs offered by MRI. This creates a material conflict of interest, as it is possible that the Firm could receive compensation from the same client in both its advisory and broker-dealer capacity. MRI addresses this conflict by disclosing our dual registration status to our clients, and not requiring that our brokerage clients purchase advisory services from MRI. Moreover, MRI advisory clients who are required to open brokerage accounts with MRI, are not charged commissions or brokerage-related transaction charges by MRI.

MRI does not recommend or select other investment advisers for our clients, for which MRI receives payment from those advisers. However, as described in Item 4 of this Brochure, some of the wrap programs that we recommend to clients are those offered by investment advisers affiliated with Pershing. For those programs, a portion of the advisory fee paid by clients, are paid to these other investment advisers.

**Common Control and Ownership of a Mutual Fund**

McLaughlin Ryder Investments, Inc., is under common control (and ownership of Shawn P. McLaughlin) with Union Street Partners, LLC, an investment company, registered under the Investment Company Act of 1940. Union Street Partners, LLC owns and acts as sole investment adviser to the Union Street Value Fund.

For additional information, the Fund Prospectus and Statement of Additional Information is available on-line at: [www.morningstar.com](http://www.morningstar.com) using the ticker symbol USP VX. Prospective investors should review these documents carefully, before making any investment in the Mutual Fund.

Clients should be aware that the receipt of additional compensation by McLaughlin Ryder Investments, Inc., and its Financial Professionals or employees, creates a conflict of interest that may impair the objectivity of the Firm and these individuals when making advisory recommendations. McLaughlin Ryder Investments, Inc., endeavors at all times, to

put the interest of its clients first, as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients, the existence of all material conflicts of interest, including the potential for the Firm and its employees, to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients, that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain, and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- the Firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity, so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and,
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

MRI has adopted a Code of Ethics, pursuant to Rule 204A-1 of the Advisers Act. The Code applies to all persons associated with McLaughlin Ryder and lays out the general ethical guidelines and specific instructions regarding our duties to the Client, that all employees of the Firm must adhere to. McLaughlin Ryder Investments, Inc., and our personnel, owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere, not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code. MRI employees are required to certify that they have read, understand, and will comply with the Code of Ethics. Upon request, a copy of MRI's Code of Ethics will be provided to any client or prospective client.

McLaughlin Ryder Investments, Inc.'s Code of Ethics includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. McLaughlin Ryder Investments, Inc., and individuals associated with the Firm, are prohibited from engaging in principal transactions.

#### **Review of Accounts**

MRI accounts are monitored on a periodic basis by Financial Professionals of McLaughlin Ryder, and periodically by the CCO. Formal reviews are generally conducted at least annually, or more or less frequently, depending on the needs of the Client.

The Financial Professionals are in charge of reviewing the current investment strategy, such as the client's asset allocation and the account's performance, making revisions as needed, based on a client's changing circumstances and/or the current economic environment.

There are three main triggers that may cause an account monitoring process to happen outside of its normal schedule:

1. The first trigger is client specific. It is normally a liquidity event where the client is either requesting funds or depositing funds. In either case, an account review is performed in order to determine the best way to execute the client's wishes.
2. The second type of trigger is a function of the overall economy. As the outlook for various asset classes changes, it triggers account reviews.
3. The third type of trigger is a function of a particular security in an account. As security specific issues arise, they cause account reviews for the affected accounts.

Clients may also request a review of their account at any time. Requests for review can be made by phone call, mail, or e-mail. Requested reviews will be performed by the Client's Financial Professional. The Client is encouraged to notify McLaughlin Ryder if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic, or political events.

Any account performance reports provided by MRI does not replace the account statements issued by Pershing. Pershing issues client statements no less than quarterly, to all investment advisory clients on their books. The client may also establish electronic access to the Custodian's website, so that they may view these reports and their account activity. Client brokerage statements will include all positions, transactions, and fees relating to their account[s].

Pershing issues client statements no less than quarterly, to all Pershing managed program accounts. Please refer to the Pershing managed program disclosure brochure, applicable to the program the client is selecting, for the current listing of reports included with a Pershing performance report.

**Client Referrals and Related Compensation**

It is McLaughlin Ryder's policy not to engage solicitors, or to pay related or non-related persons for referring potential clients to the Firm. It is McLaughlin Ryder Investments, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

From time to time, MRI and/or our Financial Professionals, may hold events for our clients and/or employees. Portions of these events may be subsidized by external vendors, such as mutual fund and insurance companies, in the form of cash or non-cash compensation. Therefore, Financial Professionals may have a financial incentive to recommend the products and services from these external vendors and include their products in the programs we offer.

**Financial Information**

Registered Investment Advisers are required in this Item, to provide clients with certain financial information or disclosures about our financial condition. MRI has no financial commitment that impairs its ability to meet contractual commitments to our clients and has not been the subject of any bankruptcy proceedings. McLaughlin Ryder is not required to deliver a balance sheet, along with this Disclosure Brochure, as the Adviser does not collect fees of \$1,200 or more, for services to be performed six months or more in advance.