



M.C. Byrd Wealth Management, LLC

18 N. Harris Street

Bellville, TX 77418

(979) 865-0660

[www.mcbyrdwealth.com](http://www.mcbyrdwealth.com) / [www.the401kshop.com](http://www.the401kshop.com)

March 2024

Form ADV, Part 2; our "Disclosure Brochure" or "Brochure" as required by the United States Securities and Exchange Commission is a very important document between Clients ("you", "your") and M.C. Byrd Wealth Management, LLC ("M.C. Byrd", "Adviser", "the Firm", "us", "we", "our"). M.C. Byrd's IARD firm number is 151070.

This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (979) 865-0660. 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.

We are a registered investment adviser. Our registration as an Investment Advisor does not imply any level of skill or training. Additional information about M.C. Byrd also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "Investment Adviser Search" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

There are no material changes to report since our last filing in March 2023.

Additionally, we have made other changes, some of which may clarify or enhance existing disclosures, but we do not consider these other changes to be material.

1. In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Disclosure Brochure and send to you an updated copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].
3. If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our Managing Member and Chief Compliance Officer, Monte C. Byrd at the telephone number shown on the cover page of this Disclosure Brochure or via email at [monte@mcbyrdwealth.com](mailto:monte@mcbyrdwealth.com).

### Item 3 – Table of Contents

Item 1 – Cover Page .....	
Item 2 – Material Changes .....	i
Item 3 – Table of Contents .....	ii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	7
Item 6 – Performance-Based Fees and Side-By-Side Management.....	12
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	14
Item 9 – Disciplinary Information .....	18
Item 10 – Other Financial Industry Activities and Affiliations .....	19
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	21
Item 12 – Brokerage Practices .....	23
Item 13 – Review of Accounts.....	26
Item 14 – Client Referrals and Other Compensation.....	27
Item 15 – Custody .....	28
Item 16 – Investment Discretion .....	29
Item 17 – Voting Client Securities (i.e., Proxy Voting) .....	30
Item 18 – Financial Information .....	31
Item 19 – Requirements for State-Registered Advisers .....	32

## Item 4 – Advisory Business

M.C. Byrd is a Limited Liability Company formed under the laws of the State of Texas since July 30, 2009. We have been registered as investment adviser at both the state and federal level since September 30, 2009. Currently, we are registered with Securities and Exchange Commission (“SEC”) in order to provide the investment advisory products and services described within this document. M.C. Byrd is 51% owned by Monte C. Byrd and 48% owned by Cathy J. Byrd and 1% by Caleb Byrd.

As of January 31, 2024, we have 565 clients with \$205,193,534 of assets under management managed on a discretionary basis and \$56,754,462 managed on a non-discretionary basis.

M.C. Byrd offers investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and foundations. This Disclosure Brochure provides clients with information regarding M.C. Byrd and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the Firm.

Please contact Monte C. Byrd, Managing Member and Chief Compliance Officer, if you have any questions about this Brochure. Additional information about M.C. Byrd is available on the internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for M.C. Byrd is 151070.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Adviser Representatives (“IARs”).

Below is a description of the investment advisory and financial planning services we offer, including, but not limited to, our basic fee schedules; a description of how fees are charged, whether fees are negotiable, when compensation is payable, refund policies and other applicable information. For more details on any product or service please reference the advisory agreement or speak with your IAR.

### **DESCRIPTION OF SERVICES PROVIDED**

M.C. Byrd will emphasize continuous personal client contact and interaction in providing discretionary or non-discretionary investment supervisory services. Further, we will work with our clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients’ goals

and objectives. M.C. Byrd typically creates a portfolio, consisting of mutual funds (no-load and/or load waived), exchange traded funds (“ETFs”), and individual stocks or bonds.

M.C. Byrd has developed several model portfolios primarily utilizing mutual funds and ETFs. The models range in risk tolerance from conservative to aggressive. Generally, the more aggressive models have a higher allocation to equities, as opposed to fixed income and money market securities, than the more conservative models. M.C. Byrd regularly monitors the performance of each investment selected for each model. Further, M.C. Byrd typically reviews the portfolios quarterly.

Investment strategies may include long-term buy and hold, and short-term trading. Each portfolio will be initially designed to meet particular investment goals, based on the client’s goals, objectives, circumstances, and risk tolerance. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Adviser’s strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services on at least an annual basis, or more often, depending upon prior agreement.

### ***Referral to Third Party Asset Manager Services***

Adviser may recommend to clients other Third-Party Asset Managers, where one of the third-party money managers will design an investment portfolio and provide ongoing corresponding investment management services on a fee-only basis for a percentage of assets, not to annually exceed 1.5% of asset under management. While M.C. Byrd primarily uses the MAS Program more fully described below, we may also utilize other third-party money managers (such as Nuveen) not in the MAS Program.

### **Managed Account Solutions (“MAS Program”)**

M.C. Byrd offers Separately Managed Account (“SMA”) Programs through a Tri-Party agreement between M.C. Byrd and Envestnet Asset Management, Inc. (“Envestnet”) and Fidelity Brokerage Services, LLC (“Fidelity”). Such programs include sub-accounts (“Sub-Accounts”) of your account managed by registered investment advisors (“Separate Account Managers”) selected by M.C. Byrd. All Separate Account Managers enter into sub-advisory contracts through the Envestnet Program. M.C. Byrd acts as Account Managers for all accounts under this program and has discretionary authority to select (i.e., hire and fire) the Separate Account Manager to be utilized in managing the client’s assets. However, we do not have discretionary investment authority in the sub-accounts under this program, the Separate Account Manager that we select has such discretion.

Separate Disclosure Brochures for Envestnet and Separate Account Managers are provided to the client.

### ***Financial Planning and Financial Consulting Services***

M.C. Byrd will typically provide a variety of financial planning services, pursuant to a written Agreement, to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: investment planning, retirement planning, estate planning, charitable planning, education planning, and business planning.

The plan developed from the financial consultation rendered to the client will usually include general recommendations for a course of activity or specific actions to be taken by the clients. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

M.C. Byrd's financial planning services involve appraisal of a client's financial situation, including an analysis of his or her entire financial planning needs and investment portfolio. The information provided by a client is examined in relation to the long and short-term investment objectives expressed by the client, client needs perceived by M.C. Byrd, market conditions and general economic conditions. The advice includes specific recommendations regarding long and short-term financial planning and recommendations regarding the retention or disposition of the client's securities and other investments. This service also includes at least one written report and one or more meetings with the client to discuss the status of the client's financial situation and M.C. Byrd's specific recommendations.

Because each client's financial situation and goals change, clients are encouraged by M.C. Byrd to have their financial situation reexamined periodically. Clients may wish to have follow-up reviews and analyses performed by M.C. Byrd after receiving the firm's six-month initial financial planning services. Such follow-up reviews are performed, and reports provided, as frequently as the client and M.C. Byrd agree.

Clients that do not wish to have a full financial plan but wish to have just their investments reviewed by M.C. Byrd may do so by electing the firm's initial asset monitoring services. These services are designed to provide an overview of the client's investable assets and to meet with the client during the six months following the date of the agreement to discuss

the investments and the changes that M.C. Byrd believes are appropriate. A written report is provided as part of the service.

After the initial six months, asset monitoring services are provided, clients may choose to have their assets monitored periodically by M.C. Byrd with regular reports being sent to the client. Such services include periodic reviews of the account and meetings with the client to discuss the investments.

Prior to engaging M.C. Byrd to provide financial planning or consulting services, clients will generally be required to enter into a Financial Planning and Consulting Agreement with M.C. Byrd setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to M.C. Byrd commencing services. If requested by the client, M.C. Byrd may recommend the services of other professionals for implementation purposes; including M.C. Byrd's IARs in their separate individual licensed capacities as licensed insurance agents (See disclosure on Item 10). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from M.C. Byrd. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify M.C. Byrd if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Adviser's previous recommendations and/or services.

#### ***401k Pension Consulting Services***

401k Pension Consulting includes the establishment and monitoring of a company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure, participant education. Adviser will use a DBA name, The 401K Shop, as it relates to its 401k business.

All 401(k) planning services shall be in compliance with the applicable State law(s) regulating the services provided by this Agreement. This section applies to an account that is a pension or other employee benefit plan (a "Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the account is part of a Plan and we accept appointments to provide M.C. Byrd's services to such account, M.C. Byrd acknowledges that it is a fiduciary within the meaning of Section 3(21) or 3(38) of ERISA (Please reference the advisory agreement for more detail on our role). Under these arrangements, clients will represent in our advisory agreement that (i) M.C. Byrd's appointment and services are consistent with the Plan documents, (ii) Client has furnished M.C. Byrd true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain M.C. Byrd. Client further represents that he/she/it will promptly furnish M.C. Byrd with any amendments to the Plan,

and client agrees that, if any amendment affects our rights or obligations, such amendment will be binding on M.C. Byrd only with our prior written consent. If the account contains only a part of the assets of the Plan, client understands that M.C. Byrd will have no responsibilities for the diversification of all the Plan's investments, and M.C. Byrd will have no duty, responsibility or liability for the assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in the account, client will obtain and maintain at his/her/its expense bonding that satisfies this requirement and covers M.C. Byrd.

### ***403b Plan Services***

M.C. Byrd has entered into arrangements with Pentegra, Fidelity and TIAA, 403b custodians that offers 403b plans to the Texas Collegiate School System. With Pentegra, TIAA and Fidelity, M.C. Byrd also sells their Optional Retirement Plan ("ORP") Services. M.C. Byrd offers clients an asset management account in which M.C. Byrd directs and manages assets for clients.

### ***IRA Rollover Recommendations***

For the purpose of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), when applicable, we are providing the following acknowledgment to you. 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 an exemption that requires us to act in your best interest and not put our interests ahead of yours. Under this exemption, we must:

1. Meet a professional standard of care when making investment recommendations (give prudent advice),
2. Never put our financial interests ahead of yours when making recommendations (give loyal advice),
3. Avoid misleading statements about conflicts of interest, fees, and investments,
4. Follow policies and procedures designed to ensure that we give advice that is in your best interest,
5. Charge no more than is reasonable for our services, and
6. Give you basic information about conflicts of interest.



We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## Item 5 – Fees and Compensation

Fees charged are negotiable and will not exceed 1.5%.

M.C. Byrd utilizes the services of multiple custodians in order to service different aspects of our client's overall portfolio (e.g., retirement, non-retirement, college savings, etc.). Each custodian may process fee billings in a different manner. Therefore, our annual fee will be based on the total account value and such fee shall be automatically deducted from the client's Account payable quarterly or monthly in arrears or advance on the first day of the month or quarter, depending on the custodian.

The initial Management Fee will be prorated to cover the period from the date the Account is opened through the end of the first calendar month or quarter. Thereafter, the Management Fee will be based upon (depending on the custodian) either the average daily balance or the market value of the assets in the Account as of the close of business on the last business day of each applicable calendar quarter or month. Please note that the balance your fee is based on may not match the statement you receive from the custodian due to dividends, incoming contributions, outgoing withdrawals, settlement issues, etc.

Fees are negotiable. Therefore, clients with similar assets under management and investment objectives may pay significantly higher or lower fees than other clients. The client's fees will take into account the aggregate number of portfolios under management with the Adviser. Both the Adviser's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian, to debit the account for the amount of the Adviser's investment advisory fee and to directly remit that management fee to the Adviser in compliance with regulatory procedures. Clients will be provided with a monthly or quarterly statement from the account custodian reflecting deduction of the advisory fee.

The custodians that we use charge transaction fees (which we reserve the right to pass along) for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, ETFs, and/or for individual equity and fixed income securities transactions), in addition to, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. In addition to the Adviser's investment management fee, and/or transaction fees, the client will also incur, relative to all mutual fund and ETFs, charges imposed at the fund level (e.g., management fees and other fund expenses), which shall be disclosed in the fund/ETF prospectus. The transaction fees

charged by our custodians may be higher or lower than those charged by other broker-dealers/custodians.

Either party may terminate the agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the Adviser's investment advisory agreement. After five (5) business days, and as applicable, clients will receive a pro-rata refund, which take into account work completed by the Adviser on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination excluding administrative fees or account set-up fees, and such fees will be due and payable by the client.

### **Fees for Referral to Third-Party Asset Manager Services**

#### **MAS Program**

Third-party asset manager services are provided on a fee-only basis for a percentage of assets, not to annually exceed 1.5% of assets under management. Under these arrangements, your advisory fee is split between us and the third-party asset manager.

The third-party money managers' annual investment advisory fee (along with our portion) shall be pro-rated and paid quarterly, in advance or in arrears. The percentage (%) portion of the fee shall be based upon the market value of the assets on the last day of the previous quarter. These third-party money managers may in their sole discretion, charge a lesser annual advisory fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.).

Envestnet bills the client for investment management fee, collects the fee and disburses the fee to M.C. Byrd and the third-party money manager. A breakdown of the fees charged to the client is available in the client agreement.

### **Fees for Financial Planning and Financial Consulting Services**

Adviser offers financial planning services on an hourly basis for \$250 per hour, which may be negotiable depending on the nature and complexity of each client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship.

The Adviser's fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Adviser shall not receive any portion of these commissions, fees, and costs. The

hourly fees are determined after considering many factors, such as the level and scope of the services.

The Adviser may also charge a negotiable fixed fee of \$1,000 for a financial plan, which is dependent upon the level and scope of these services. One half of the total estimated fixed and hourly fees are due and payable at the time the client's agreement is executed, the remainder of the fees are due upon presentation of a plan or the rendering of consulting services. Financial plans will be presented to the clients within six (6) months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the clients.

As stated previously, the hourly rate is \$250 per hour. In the event that a client should cancel the financial planning agreement under which any plan is being created, the client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Any surplus in the Adviser's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the client within five (5) business days of cancellation.

Either party may terminate the agreement at any time by providing written notice to the other party within five (5) days of signing the Adviser's financial planning agreement. The client will incur charges for bona fide advisory services rendered to the point of termination excluding administrative fees or account set-up fees and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.

#### **FEE SCHEDULE: 401k Pension Consulting Services**

##### **Assets under Management Annual Advisory Fee**

Any Assets    Maximum 1.00%

The fee for investment management will be based on the ending value of the account on the last day of the previous quarter and is payable monthly or quarterly in advance or in arrears. The first advisory fee will be assessed on a pro-rata basis taking into account the time for which the account was not managed by M.C. Byrd and the time left in the month or quarter.

However, after the first period, the fee for investment management will be payable monthly or quarterly in advance or in arrears and will be based on the ending value of the account on the last day of the previous month or quarter. The first advisory fee will be assessed on pro-rata basis taking into account the time for which the account was not managed by M.C. Byrd and the time left in the month or quarter.

A fiduciary review is available at either a fixed fee starting at \$1,000 or an hourly rate of \$250. The fixed and hourly fees are negotiable.

Fees will be automatically deducted from the account. The custodian will automatically deduct the fees from the plan's account or M.C. Byrd manually bills the client and they issue a check to M.C. Byrd. Clients will be provided with a monthly or quarterly statement reflecting deduction of the advisory fee detailing the amount of the advisory fee.

### **403b Plan Services**

Fees charged are negotiable and will not exceed 1.5%. As custodians, Pentegra, Fidelity and TIAA will automatically deduct the fees from the client's account or manually bill the clients and issue a check to M.C. Byrd for advisory services provided.

In addition to M.C. Byrd's advisory fee, the client may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

Either party may terminate the agreement at any time by providing written notice to the other party within five (5) days of signing the Adviser's agreement. The client will incur charges for bona fide advisory services rendered to the point of termination excluding administrative fees or account set-up fees, and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.

### **ADDITIONAL INFORMATION CONCERNING FEES**

In certain circumstances, advisory fees are negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged based on a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

A client could invest in a mutual fund directly, without the services of the Adviser. In that case, the client would not receive the services provided by the Adviser which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client's financial condition, goals, and objectives. Accordingly, the clients should review both the fees charged by the funds and the fees charged by the Adviser to fully understand the total amount of fees to be paid by the clients and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client to the

Adviser. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As the client's financial situation, goals, objectives, or needs change, the client must notify M.C. Byrd promptly.

Upon client's written authorization, fees will be automatically deducted from the account. However, clients have the option to be invoiced directly. Clients will be provided with a monthly or quarterly statement from the account custodian reflecting deduction of the advisory fee.

#### Non-Transaction Fee Mutual Funds and ETFs in our accounts maintained at Fidelity.

As a business practice, M.C. Byrd does not pass along transaction fees incurred when we rebalance positions or otherwise makes purchases or sales of mutual funds and ETFs. Because we absorb these transaction costs, we have an incentive to recommend or select "no-transaction fee" mutual funds or ETFs (collectively "NTF Funds"). Mutual funds and ETFs, including NTF funds, have their own internal charges, including management fees, distribution and/or 12b-1 fees, and other expenses. These fees are detailed in the mutual fund or ETF prospectus.

Most NTF funds have transaction-fee alternatives that result in higher expense ratios. Accordingly, although we seek to offer the most cost effective solutions for our clients, we will not necessarily offer the lowest cost mutual fund or ETF share classes in all instances. You should understand that another adviser may offer the same, or similar, mutual fund and ETF products at a lower overall cost.

The use of NTF funds causes a potential conflict of interest because we are not charged a transaction fee, but the NTF funds typically are not the lowest share class available from the fund family. Notwithstanding this conflict, M.C. Byrd believes this arrangement does not interfere with its provision of advice to clients because of its practices and controls. M.C. Byrd reviews client accounts to ensure they are consistent with the clients' stated needs, objectives, and financial situation, and we strive to identify the lowest share class within the NTF funds available to us. In addition, we believe that NTF funds offer us more flexibility in managing your assets and are particularly beneficial for smaller accounts, allowing us to respond to market events more efficiently for all our clients. While we believe that removing the cost to implement trades is important and helpful to our management of client assets and to clients' overall performance, you do need to understand the added cost to your portfolio. You should review both the fees charged by the funds and our fees to fully understand the total amount of fees you are paying and, thereby, to evaluate the advisory services being provided. We are happy to explain these products and any associated conflicts in detail.

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

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our compensation structure is disclosed in detail in Item 5 above.

## **Item 7 – Types of Clients**

We provide investment advisory services to individuals, pension and profit-sharing plans, and trusts, estates, charitable organizations, and foundations. We do not require a minimum account size for opening or maintaining an account.



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

Our process is based on managing at the model/discipline level. We manage multiple models/disciplines ranging in risk levels from aggressive to conservative. The first stage of this process is to allocate across and within asset classes to targeted percentages within tolerances. Broad asset classes would include equities, fixed income, cash, and alternatives. Each asset class may be subdivided to achieve further diversification. The equity allocation would be weighted based on capitalization size, international vs. domestic, value vs. growth, etc. Fixed income would be allocated using corporate debt, sovereign debt, credit quality, and managed based on risks and opportunities in fixed income. Alternative asset classes may also be introduced such as hard assets, real estate, and other commodities for further diversification.

Once the allocation is determined, we then search for manager(s), mutual fund(s), ETFs, or individual securities for the determined asset classes. Screens we use to filter to a smaller group that we then review individually are included but not limited to: Peer group performance short and long term; Alpha; Risk adjusted return; Expense ratio; and Manager tenure. Once we use filters like above to get to a small group, we evaluate each position including but not limited to items like asset class weighting, performance consistency, historical style drift, Beta, and other rankings (e.g., Lipper, Morningstar, etc.).

Depending on the Model, our investment strategies may include long-term and short-term buy and hold. We believe in broad-based diversification that utilizes a wide variety of asset classes and management styles. Based on a wide variety of technical and fundamental data, we periodically change our asset allocation across our models/investment disciplines within tolerances. We may use rebalancing to accomplish these changes or exchanges between funds. We regularly monitor the funds, ETFs, managers, or other securities we choose relative to their part of our asset allocation. We use specific criteria to alert us to review deeper to determine if underperformance or other criteria we screen for are worthy of a possible manager change. If we determine a change is warranted, we replace that investment across the models/disciplines that hold it regardless of the size of the account or percentage holding that the position. We typically exchange funds (or other investments) either to adjust allocation or for risk adjusted performance within the fund's category.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear. Depending on the types of securities we invest in, you may face the following investment risks:

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Interest rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**ETF and Mutual Funds Risk:** ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

**Legal and Regulatory Matters Risks:** Legal developments which may adversely impact investing and investment-related activities can occur at any time. “Legal Developments” means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). M.C. Byrd’s management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

**System Failures and Reliance on Technology Risks:** M.C. Byrd’s investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems’ conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

**Cybersecurity Risk:** A portfolio is susceptible to operational and information security risks due to the increased use of the Internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers’ and M.C. Byrd’s business operations, potentially resulting in financial losses, the inability to transact business,

violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While M.C. Byrd has established business-continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

**Pandemic Risks:** The outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the time. This created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the coronavirus outbreak and future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. These pandemics and other epidemics and pandemics that may arise in the future, could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your IAR and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

## **Item 9 – Disciplinary Information**

We do not have any legal, financial, or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client / Adviser relationship with us.

## Item 10 – Other Financial Industry Activities and Affiliations

Neither M.C. Byrd nor any of our management persons are registered, as a broker-dealer or a registered representative of a broker-dealer or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading adviser or as an associated person (or registered representative) of the foregoing entities.

In addition, neither M.C. Byrd nor any of our management persons have relationship or any arrangement that is material to our advisory business or to our clients that M.C. Byrd or any of our management persons have with any related person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment Company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading adviser),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

Certain IARs of the Adviser are licensed to sell insurance products through various companies. These individuals receive compensation for the sale of certain commission-based insurance products. Please note that certain carriers offer adviser-based products that do not include a commission (e.g., variable annuities, where the underlying funds are selected by your IAR and included in your fee, as disclosed in Item 5). Your IAR can explain the difference of these products. Clients are under no obligation to purchase insurance products through them and are free to choose the sources through which to

implement investment advisory recommendations. Please reference Item 14 for a discussion of these potential conflicts.

See “Fees for Referral to Third-Party Asset Manager Services” under Item 5 for issues related to recommending other investment advisers.

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

Our firm has adopted a written Code of Ethics and is in compliance with federal regulations. All employees of M.C. Byrd are deemed by the Advisers Act to be supervised persons<sup>1</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, M.C. Byrd and all our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable time at the current address of record.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of M.C. Byrd might take advantage of that knowledge for their own benefit. M.C. Byrd has in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that M.C. Byrd’s personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of M.C. Byrd’s clients first; (iii) disclose all conflicts of interest; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any conflicts of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, M.C. Byrd’s personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

---

<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.



M.C. Byrd's personnel are required to conduct their personal investment activities in a manner that M.C. Byrd believes is not detrimental to its advisory clients. M.C. Byrd's personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where M.C. Byrd's personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons<sup>2</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from M.C. Byrd upon request by contacting us during regular business hours. We will furnish a copy to you within a reasonable time at your current address of record.

Associated persons of the Adviser may buy or sell for their own accounts the same securities, at the same time, which may be recommended to advisory clients. This raises conflicts of interest if the associated person is selling a security they are simultaneously recommending to a client (or visa-versa). However, associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. In instances where the representative buys or sells the same securities as those of their clients, the client's accounts are given priority to avoid such conflicts of interest.

We do not nor do a related person recommends to you, or buys or sells for your accounts, securities in which we (or a related person) have a material financial interest.

We do not, nor does a related person, recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account.

---

<sup>2</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all your directors, officers and partners are presumed to be access persons.

## Item 12 – Brokerage Practices

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Adviser may receive from Fidelity (or one of our other custodians) or a mutual fund company, without cost and/or at a discount support services and/or products, certain of which assist the Adviser to better monitor and service client accounts maintained at such institutions. Certain of the support services and/or products that may be received may assist the Adviser in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Adviser to manage and further develop its business enterprise.

We receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist in our investment management process, from our custodian. Nonetheless, when selecting a particular broker for execution of your transactions, we will seek to obtain most favorable terms under the circumstances by considering such factors as: price, execution capability, reliability, responsiveness, financial responsibility, and the value of any products or services provided by such brokers. The Adviser's clients do not pay more for investment transactions effected and/or assets maintained at a particular custodian. There is no corresponding commitment made by the Adviser to our custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products. Specifically, we do not have any formal soft dollar arrangements with our custodians (see Item 14 for additional compensation received from one custodian) or any particular broker for execution of your transactions.

In evaluating whether to recommend or require that clients' custody their assets at a particular custodian, we take into account the availability of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by the custodian. Clients should be aware that the receipt of such economic benefits by us or its related persons in and of itself creates a conflict of interest and may indirectly influence our choice of a particular custodian for custody and brokerage services. To address these conflicts of interest, we have developed and implemented a Compliance Program, which includes a review of the services and execution quality we receive from the custodians we recommend.

**Execution of Brokerage Transactions (when applicable).** If requested, Adviser will arrange for the execution of securities brokerage transactions for the account through broker-dealers that the Adviser reasonably believes will provide "best execution". In

seeking “best execution”, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although the Adviser will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Over-the-Counter (OTC) securities transactions for the Adviser's clients are generally effected on an agency basis, which involve the services of two (2) separate broker-dealers: (1) a “dealer” or “principal” acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity for the client's account. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client will also incur the transaction fee imposed by the executing broker-dealer. The Adviser does not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.

Transactions for each client account generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. The Adviser may, but is not obligated to, combine or “batch” such orders to obtain “best execution”, to negotiate more favorable commission rates or to allocate equitably among the Adviser's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the Adviser's clients in proportion to the purchase and sale orders placed for each client account on any given day. The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation.

The client may direct the Adviser to use a particular broker-dealer (subject to the Adviser's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Adviser. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs the Adviser to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through the Adviser.

In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to the Adviser, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through the Adviser.

While M.C. Byrd does recommend broker, dealers or custodians, clients are free to select any broker, dealer, or custodian they wish. As previously discussed, M.C. Byrd may be limited to the broker, dealers, or custodians where client's contracting for asset management services will be allowed to maintain their assets. If a client directs the use of a particular broker, dealer, or custodian, such direction must be provided in writing to M.C. Byrd. When a client directs the use of a particular broker, dealer or other custodian, M.C. Byrd may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular broker, dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker, dealer, or custodian. Further, clients with directed brokerage arrangements will not be able to participate in aggregate trades (i.e., block trades) and directed trades may be placed by M.C. Byrd after effecting non-directed trades.

We do not consider whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers to you. Furthermore, we do not routinely recommend, request, or require that a client directs us to execute transactions through a specified broker-dealer.

## Item 13 – Review of Accounts

All accounts are reviewed continuously as part of our model reviews by the Managing Member and Chief Compliance Officer. In addition, we will attempt to meet with (or speak with) all our clients at least annually.<sup>3</sup> Upon client requests, a more frequent review will be provided and may be made through a face-to-face meeting. The review encompasses asset allocation per class against the recommended allocation per investment objective. Accounts are also reviewed for consistency with the investment strategy and performance among other things. Additional reviews may be triggered by changes in an account holder's personal, tax, or financial status.

Macroeconomic and company specific events may also trigger reviews. There is currently no limit on the number of accounts that can be reviewed by the reviewer.

Clients will receive transaction confirmations and/or statements monthly or at least quarterly from the account custodians. Collectively, these reports will list client's account holdings, transactions and fees paid to Adviser.

---

<sup>3</sup> We will make our best efforts to meet with clients at least annually. However, the timing of such reviews may be impacted by client request or unintended events impacting either us or the client that result in a review not taking place at least annually.

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

M.C. Byrd does not have any arrangement under which they or any related person, directly or indirectly compensates any unrelated person for client referrals. Currently, the Firm nor do any related person receive compensation from another for client referrals.

However, M.C. Byrd and its related persons do receive compensation from third parties in connection with advisory services provided to clients. From time to time, custodians, mutual fund companies or the managers of mutual funds sponsor pay for client luncheons, or other events, that the Firm hosts. These arrangements may give rise to conflicts of interest, or perceived conflicts of interest in that the Firm has an incentive to invest client assets in mutual funds companies that provide such benefits to the Firm. The Firm's commitment to its clients and the policies and procedures it has adopted that require the review of such arrangements by the CCO are designed to limit any interference with the Firm's independent decision making when choosing the best mutual funds, or other investments, for our clients.

If clients choose to implement their financial plans through M.C. Byrd, they may elect to utilize the Firm and/or some of the Firm's other offerings, such as insurance products. In such event, the IARs, acting as insurance agents, will receive selling compensation. For example, the Firm may recommend that a client (i) invest in the Firm's models and (ii) purchase an insurance product. If the client implements this through the Firm, the Firm will be compensated in accordance with the M.C. Byrd Advisory Agreement for the client funds invested in the models, and the IARs will also be compensated in connection with any insurance product sold. This causes a conflict of interest when recommending any commission-based insurance products, due to the additional compensation the IAR or M.C. Byrd will receive. We address this conflict of interest by adhering to a written compliance manual that includes the monitoring of such recommendations in the client's best interest.

Clients are not obligated to implement any recommendation through M.C. Byrd or through its associated persons and are free to choose any investment adviser or broker-dealer they wish to implement the recommendations.

As part of its duties to its clients, M.C. Byrd always endeavors to put the interests of its clients first.

## Item 15 – Custody

We do not hold custody of any client funds or securities. Client assets are held at a qualified custodian. However, we are deemed to have limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. In addition, we are also deemed to have custody of clients' funds or securities when clients have standing letters of authorizations ("SLOAs") with their custodian to move money from a client's account to a third-party, and under that SLOA it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. The qualified custodian will send you, at least quarterly, your account statements. The account statements will reveal the funds and securities held with the qualified custodian, any transactions that occurred in your account, and the deduction of our fee. You should carefully review the account statements received from the qualified custodian and compare them with any statements that you receive from us. You should contact us at the address or phone number on the cover of this brochure with any questions about your statements. You should notify us if you do not receive the account statements, at least quarterly, from the qualified custodian.

## **Item 16 – Investment Discretion**

Upon receiving written authorization from the client, M.C. Byrd may provide discretionary investment advisory services for client accounts. When discretionary authority is granted, M.C. Byrd will have the authority to determine the type and amount of securities to be bought or sold. Clients will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to M.C. Byrd.



## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The Adviser and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

M.C. Byrd does not render advice to or take any actions on behalf of clients with respect to any legal proceedings including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities, or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation with respect to transactions, securities or other investments held in client accounts is expressly reserved to the client.

## **Item 18 – Financial Information**

M.C. Byrd does not require or solicit prepayment of more than \$1,200.00 in advisory fees per client, six months or more in advance.

There are currently no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. Additionally, we have not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 – Requirements for State-Registered Advisers**

We are an SEC registered investment adviser; so, this section does not apply to us.