



**LONG**  **RUN**  
Wealth Advisors

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Long Run Wealth Advisors, LLC (hereinafter “Long Run” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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 the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.



## Item 2. Material Changes

There are no material changes in this brochure from the last annual updating amendment on 02/16/2023 of Long Run Wealth Advisors, LLC, however, this brochure does include a number of minor editorial changes and the updated information on our assets under management. Material changes relate to Long Run Wealth Advisors, LLC's policies, practices, or conflicts of interests:

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## Item 4. Advisory Business

Long Run acts as a fiduciary providing holistic advisory services with a focus on individuals, high-net-worth individuals, business owners, non-profits, endowments, foundations, and retirement plans. The Firm generally provides clients with wealth management services, which include investment management and a broad range of comprehensive financial planning. In conjunction with these services, Long Run works closely with clients' attorneys, accountants, and other professional service providers. To engage Long Run, clients are required to enter into one or more written agreements with Long Run setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

Long Run filed for registration as an independent investment adviser in November 2020 and is wholly owned by Kevin M. Brady and Lynn M. Magnus. As of December 31, 2023, Long Run has \$442,015,013 in assets under management, \$405,107,852 of which is managed on a discretionary basis and \$36,907,161 of which is managed on a non-discretionary basis.

While this brochure generally describes the business of Long Run, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or other persons who provide investment advice on Long Run's behalf and are subject to the Firm's supervision or control.

### Investment and Wealth Management Services

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Long Run manages client investment portfolios on a discretionary or non-discretionary basis. In addition, Long Run provides certain clients with wealth management services which include a broad range of financial planning services (as described below) and discretionary and/or non-discretionary management of investment portfolios.

Long Run primarily allocates clients' investment management assets among individual equity securities, exchange traded funds ("ETFs"), and individual fixed-income securities. On a more limited basis, the Firm may also utilize mutual funds. In limited circumstances, the Firm will also allocate clients' assets to independent investment managers ("Independent Managers"). Where appropriate, the Firm also provides advice about any type of legacy investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients also can engage Long Run to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer-sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Long Run directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.



Long Run tailors its advisory services to meet the objectives of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Long Run consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints, and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Long Run if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Long Run determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### *Use of Independent Managers*

As mentioned above, Long Run selects certain Independent Managers to actively manage a portion of its clients' assets in limited circumstances. The specific terms and conditions under which a client engages an Independent Manager are set forth in a separate written agreement with the designated Independent Manager. That agreement can be between the Firm and the Independent Manager (often called a subadvisor) or the client and the Independent Manager (sometimes called a separate account manager). In addition to this brochure, clients will typically also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Long Run evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. Long Run also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

Long Run continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Long Run seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.



## **Financial Planning Services**

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Long Run offers clients a broad range of financial planning services, which include any or all of the following functions:

- Retirement Planning
- Distribution Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Insurance Planning
- Risk Management
- Tax Planning
- Generational Wealth Transfers
- Social Security Planning
- Medicare Planning
- Charitable Giving
- Education Funding

While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction with investment portfolio management as part of a wealth management engagement (as described above).

In performing these services, Long Run is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Long Run recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Long Run or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Long Run under a financial planning engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Long Run's recommendations and/or services.

## **Retirement Plan Consulting Services**

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Long Run provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing, and optimizing their corporate retirement plans.



Each engagement is individually negotiated and customized, and includes any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Long Run as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Long Run’s fiduciary status, the specific services to be rendered, and all direct and indirect compensation the Firm reasonably expects under the engagement.

## Item 5. Fees and Compensation

Long Run offers services on a fee basis, which includes fees based upon assets under management or advisement and fixed fees. Additionally, certain of the Firm’s Supervised Persons, in their individual capacities, offer insurance products under a separate commission-based arrangement.

### Investment and Wealth Management Fees

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Long Run offers investment and wealth management services for an annual fee based on the amount of assets under the Firm’s management or advisement. These fees vary between 50 and 150 basis points (0.50%–1.50%), depending upon amount of assets within a client’s portfolio, the composition of a client’s portfolio, the type and amount of advisory services rendered, and the individual(s) providing the services. The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Long Run on the last day of the previous billing period as determined by a party independent from the Firm (including the client’s custodian or another third-party).

If assets in excess of \$5,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.



Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Long Run can negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Long Run for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

## **Financial Planning Fees**

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Long Run charges a fixed fee for providing financial planning and consulting services either under a stand-alone engagement or as part of a comprehensive wealth management engagement. For wealth management clients with \$500,000 or more under the Firm's investment management, the Firm's financial planning and consulting services are included in its annual fee based on the amount of assets under management.

The Firm's financial planning and consulting fees vary depending upon the scope and complexity of the services and the professional rendering the financial planning and/or consulting services. The fee can be for a defined project, such as the delivery of a plan, or for ongoing services. Project-based fees range from \$1,000 to \$10,000. Where the Firm charges project-based fees, it requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement with the outstanding balance is due upon delivery of the financial plan or completion of the agreed-upon services. Fees for on-going services are charged in advance and range from \$250 to \$2,000 on a quarterly basis. The Firm does not take receipt of \$1,200 or more in prepaid fees, six or more months in advance of services rendered. If the client engages the Firm for additional investment advisory services, Long Run can offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

## **Retirement Plan Consulting Fees**

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Long Run charges a fee based on assets under advisement to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered.

## **Fee Discretion**

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Long Run may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes.



## **Additional Fees and Expenses**

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In addition to the advisory fees paid to Long Run, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, settlement charges, custodial fees, fees charged by the Independent Managers, reporting charges, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, mark-ups and/or mark-downs on fixed income investments, and other fees and taxes on brokerage accounts and securities transactions. The occasional payment of such fees by Long Run does not create an on-going obligation for the Firm to pay such fees in the future. The Firm’s brokerage practices are described at length in Item 12, below.

### **Direct Fee Debit**

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Clients provide Long Run and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Long Run.

### **Securities-Based Lending**

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Long Run recommends that where appropriate based on client needs and individual situations, clients utilize securities-based lending in their investment portfolios. For example, the Firm may recommend such borrowing for bridge loans and other financing needs. To the extent Long Run recommends such borrowing, the terms of the borrowing agreement will prohibit clients from using proceeds to purchase, carry, or trade in securities. The Firm’s fees are determined based upon the value of the assets being managed gross of any such borrowing.

### **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to Long Run’s right to terminate an account. Additions can be in cash or securities provided that the Firm, consistent with its discretionary and/or non-discretionary authority, may liquidate any transferred securities in order to manage the account consistent with the client’s Investment Parameters. In certain circumstances, the Firm may also decline to accept particular securities into a client’s account. Clients can withdraw account assets on notice to Long Run, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the fulfillment of a client’s investment objectives. Long Run may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges), and/or tax ramifications.



## **Item 6. Performance-Based Fees and Side-by-Side Management**

Long Run does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets) or engage in side-by-side management.

## **Item 7. Types of Clients**

Long Run offers services to individuals, high-net-worth individuals, business owners, non-profits, endowments, foundations, and retirement plans.

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

### **Methods of Analysis**

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Long Run employs a combination of fundamental, cyclical, and behavioral finance methods of analysis while utilizing an asset allocation strategy based on a derivative of Modern Portfolio Theory ("MPT").

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. Long Run generally analyzes the financial condition, capabilities of management, earnings capacity, new products, and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. A substantial risk in relying upon fundamental.



analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) level, rather than focusing on the overall fundamental analysis of the health of the particular company that Long Run is recommending. A substantial risk in relying upon cyclical analysis is that spotting cycles may not help to predict such cycles in the future. Even if the cycle will eventually reoccur, there is no guarantee that Long Run will be able to accurately predict such a reoccurrence.

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

MPT is a mathematical-based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints, and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, Long Run's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

Research and analysis utilized by Long Run are derived from numerous sources, including financial media companies, third-party research, internet sources, and a review of company activities, including annual reports, prospectuses, press releases, and research prepared by others.

### **Investment Strategies**

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Long Run designs investment portfolios for their clients to help meet their life goals after reviewing their objectives, risk tolerance, time horizon, and income needs. This process helps define the investment strategy the Firm implements in an effort to attain clients' goals. These strategies are initially focused on an appropriate strategic asset allocation and the Firm's portfolios range from 100% fixed income to 100% global equities. However, in most cases the Firm utilizes a balanced investment approach with a mix of holding in stocks, bonds, and cash, allocated to best represent the appropriate risk/return profile that has been agreed upon through discussion with clients. Within the Firm's chosen equity investments, the Firm



may opt for a more income-based approach that is focused on dividends or it may allocate to more growth-oriented stocks that do not pay significant dividends. This decision is driven by the client's income needs and the Firm's outlook for forecasted economic growth and the global market valuations.

The Firm uses a range of individual equity with emphasis on large capitalization and debt securities in its portfolios, along with ETFs to implement its various strategies. Occasionally, the Firm may utilize mutual funds to gain exposure to certain asset classes or regions but the Firm predominately manages the assets directly through individual holdings. This allows the Firm to better understand clients' underlying investments, react to market changes, and manage capital gain decisions. As set forth above, in limited circumstances, Long Run may also allocate assets to Independent Managers. The Firm's portfolios are considered low turnover and the Firm does not attempt to time the markets or actively trade in and out of positions. At times extreme market dynamics may cause the Firm to have increased turnover to maintain a long-term strategic asset allocation or manage expected risk in the portfolio.

Long Run relies primarily on fundamental analysis to make investment decisions, as described above. For individual securities this includes an evaluation of a company's fundamental financial condition, competitive position, capability of management, earnings capacity, product and service growth, and cash flow. Long Run also utilizes a sector-based approach to allocate a portion of our equity investments. This component of the Firm's portfolios predominately utilizes ETFs, and the Firm allocates a higher weighting to sectors that it believes will outperform the broader market while underweighting sectors that it believes will underperform. In order to research individual and sector investments, we rely on the Firm's own analysis, industry publications, economic forecasts, well-known periodicals, rating services, and regulatory filings. The bond component of the Firm's portfolios typically focuses on credit risk and expected yield to maturity. The Firm predominantly utilizes investment-grade debt and has limited exposure to non-investment-grade bonds. The Firm analyzes the duration, credit rating, call risk, interest rate sensitivity and taxation of fixed income holdings to manage exposures. Overall, the Firm regularly monitors clients exposures to style (growth/value), size (large/mid/small-cap), and region (US/International) to create a well-diversified portfolio. Long Run also offers portfolios that are focused on sustainable investing goals and has strategies that invest in companies that meet industry criteria for strong environment, social, and governance (ESG) practices.

The Firm utilizes risk-management software to control how much client portfolios have drifted from their target asset allocation benchmarks and rebalances as needed to return to chosen strategic model weights. In addition, the Firm reviews portfolio weights in various economic industries to ensure that they are not significantly over-or underexposed relative to well-known market benchmark weights. This helps control for risk in the Firm's strategies by monitoring concentration in any one sector and creating a well-diversified portfolio that is not overly exposed to any one area of the market. Long Run also reviews the amount invested in an individual company and usually limits allocation in any company to less than 3% of a client's overall assets. By diversifying our holdings and closely monitoring position size in the overall portfolio, the exposure to any one particular issuer or industry group can be carefully managed. All of these



parameters help clients to achieve risk-adjusted returns that are tailored to their long-term financial goals and help them meet their cash flow needs through their lifetime.

## **Risk of Loss**

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Investing in securities involves certain financial risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Long Run will assist clients with determining the appropriate strategy based on their tolerance for risk and other potential risk of loss. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Long Run's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds, and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Long Run will be able to predict these price movements accurately or capitalize on any such assumptions.

### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and governmental programs and policies.

### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

### *Currency Risks*

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.



## *Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

## *ETFs and Mutual Funds*

An investment in an ETF or mutual fund involves risk, including the loss of principal. ETF and mutual fund shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs and mutual funds are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata stated daily per share net asset value ("NAV"). There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF redeems shares only when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's NAV, plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.



## *Fixed Income Securities*

While the Firm emphasizes risk-averse management and capital preservation in its fixed-income bond portfolios, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Here is a representative list of the types of risks clients should consider before investing in this product:

- Interest rate risk – Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk – A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk – Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk – Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk – When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk – When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

## *Management through Similarly Managed "Model" Accounts*

Long Run manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various individual securities, ETFs, and/or mutual funds on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940. The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after-tax gains. While the Firm seeks



to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy may be done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

### *Use of Independent Managers*

As stated above, Long Run selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Long Run continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Long Run does not have the ability to supervise the Independent Managers on a day-to-day basis.

### *Information Security Risk.*

Clients may be susceptible to risks to the confidentiality and security of both the Custodian and Long Run's operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisors. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability for us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken, and will continue to take steps to detect and limit the risks associated with these threats.

## **Item 9. Disciplinary Information**

Long Run has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **Item 10. Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Licensed Insurance Agents**

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A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that Long Run



recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Item 11. Code of Ethics**

Long Run has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Long Run's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Long Run's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Long Run to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.



## Item 12. Brokerage Practices

### **Recommendation of Broker-Dealers for Client Transactions**

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Long Run recommends that clients utilize the custody, brokerage, and clearing services of Raymond James & Associates, Inc., (“Raymond James”) for investment management accounts. The final decision to custody assets with Raymond James is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Long Run is independently owned and operated and not affiliated with Raymond James. Raymond James provides Long Run with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Long Run considers in recommending Raymond James or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. Raymond James enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Raymond James may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Long Run’s clients to Raymond James comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Long Run determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Long Run seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Long Run periodically and systematically reviews its policies and procedures regarding its recommendation of Raymond James in light of its duty to obtain best execution.

### **Software and Support Provided by Raymond James**

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Long Run receives from Raymond James administrative support, computer software, related systems support, as well as other third-party support as further described below (together “Support”) which allow Long Run to better monitor client accounts maintained at Raymond James and otherwise conduct its business. Long Run receives the Support because the Firm renders investment management services to clients that maintain assets at Raymond James. Support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The Support benefits Long Run, but not its clients directly. Clients should be aware that Long Run’s receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm’s choice of broker-dealer over another that does not furnish similar software, systems, support or services. In fulfilling its duties to



its clients, Long Run endeavors at all times to put the interests of its clients first and has determined that the recommendation of Raymond James is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Long Run receives the following benefits from Raymond James: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order-entry and account information.

Raymond James' services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Raymond James also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional, or Firm-specific educational events organized and/or sponsored by Raymond James. Other potential benefits may include occasional business entertainment of personnel of Long Run by Raymond James personnel, including meals and entertainment.

Other of these products and services assist Long Run in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of the Firm's fees from its clients' accounts; and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services will generally be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Raymond James.

In addition, Raymond James may make available, arrange, and/or pay vendors for these types of services rendered to the Firm by independent third parties. Raymond James may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to the Firm. While, as a fiduciary, Long Run endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Raymond James may be based in part on the benefits received and not solely on the nature, cost, or quality of custody and brokerage services provided by Raymond James, which creates a potential conflict of interest.

### **Brokerage for Client Referrals**

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Long Run does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from Raymond James or another third party.



## **Trade Aggregation**

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Transactions for each client will be affected independently unless Long Run decides to purchase or sell the same securities for several clients at approximately the same time. Long Run 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 Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Long Run’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Long Run’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Long Run does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Long Run monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm’s Principals and/or investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Long Run and to keep the Firm informed of any changes thereto.



## **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied, including Raymond James. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Long Run and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance.

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

### **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

### **Other Compensation**

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The Firm receives economic benefits from Raymond James. The benefits, conflicts of interest, and how they are addressed are discussed above in response to Item 12.

## **Item 15. Custody**

Long Run is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees, however a surprise audit is not required as Clients give us the authorization to debit their accounts, in accordance with the custody rule. As such, client funds and securities are maintained at one or more Financial Institutions, including Raymond James, that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, Long Run will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Long Run. Any other custody disclosures can be found in the Firm's Form ADV Part 1.

### **Standing Letters of Authorization**

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Long Run is deemed to have custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated



by the client. In such circumstances, the Firm relies on the conditions set forth in the SEC's no-action letter on February 21, 2017, which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

### **Item 16. Investment Discretion**

Long Run is given the authority to exercise discretion on behalf of certain clients. Long Run is considered to exercise investment discretion over a client's account if it can affect and/or direct transactions in client accounts without first seeking their consent. Long Run is given this authority through a power-of-attorney included in the Advisory Agreement between Long Run and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Long Run takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

### **Item 17. Voting Client Securities**

Long Run does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.



### **Item 18. Financial Information**

Long Run is required to provide you with certain financial information or disclosures about any financial condition which would impede our ability to provide the advisory services described herein; however, the Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, has not been the subject of a bankruptcy proceeding, and does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered.