



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

McLaughlin Ryder Investments, Inc.  
SEC File No. 801—107125

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

March 1, 2021

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

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

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

**Item 2 - Material Changes**

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). The Disclosure Brochure provides information about a variety of topics relating to an Adviser's business practices, conflicts of interest, and includes this Wrap Fee Programs Brochure. The Part 2B Brochure Supplement provides information about McLaughlin Ryder's individual Investment Advisers.

McLaughlin Ryder believes that communication and transparency are the foundation of its relationship with clients and will always continually strive to provide you with complete and accurate information. McLaughlin Ryder encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with your Adviser. And of course, we always welcome your feedback. Our Brochure was last updated August 2020. This section will note any material changes that may have been made since our last printed Brochure.

This Wrap Fee Brochure was created as of March 1, 2021 and is the updated McLaughlin Ryder Wrap Fee Brochure.

**Material Changes**

The material changes from the August 2020 McLaughlin Ryder Investments, Inc. Wrap Fee Program Brochure are:

- MRI has updated the Elite Wrap Program fee schedule, the details of which are included in this brochure.
- Please note we have updated our brochure to include the SEC's Regulation Best Interest consideration and language relating to standards of conduct, including conflicts of interest and disclosure obligations.

**Future Changes**

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

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

We will further provide you with a new Brochure or a Summary of material changes, free of charge, as necessary.

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## **Item 4 – Services, Fees and Compensation**

### **Firm Information**

Founded in September 2009 by Shawn P. McLaughlin as McLaughlin Ryder Advisory Services, LLC (MRAS), MRAS was then merged with McLaughlin Ryder Investments, Inc. (MRI) in January 2016. McLaughlin Ryder Investments, Inc. is a full-service investment advisory and financial planning firm registered with the U.S. Securities and Exchange Commission (“SEC”) located at 1421 Prince Street, Alexandria, Virginia 22314. MRI is considered a dually registered firm which means that we operate a full-service broker dealer division as well as an investment advisory division. MRI’s current CEO is Shawn P. McLaughlin. MRI is a wholly owned by The McLaughlin Companies, LLC, its parent company.

With the exception of our advisory services for ERISA plans and ERISA plan participants, all of our investment advisory business is processed through our broker dealer division. Investment advisory business of MRI is not processed through any other broker dealer. All clients who wish to enroll in a wrap fee program with MRI are required to establish a brokerage account for this purpose. The wrap fee programs offered by MRI are a combination of proprietary programs and also programs offered through MRI’s clearing firm, MRI’S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) LLC, (“MRI’S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK)”). Some programs may include the services of an outside 3<sup>rd</sup> party investment manager.

### ***What is the difference between an Investment Advisory Firm and a Broker-Dealer?***

Broker-dealers play an important role in helping investors organize their finances, accumulate and manage retirement savings, and invest toward other important long-term goals, such as buying a house or funding a child’s college education. Broker-dealers offer a wide variety of brokerage (i.e., agency) services and dealer (i.e., principal) services and products to both retail and institutional customers. Specifically, the brokerage services provided to retail customers range from execution-only services to providing personalized investment advice in the form of recommendations of securities transactions or investment strategies involving securities to customers.

Investment advisers play a similarly important, though distinct, role. As described in the Fiduciary Interpretation, investment advisers provide a wide range of services to a large variety of clients, from retail clients with limited assets and investment knowledge and experience to institutional clients with very large portfolios and substantial knowledge, experience, and analytical resources.

As a general matter, broker-dealers and investment advisers have different types of relationships with investors, offer different services, and have different compensation models when providing investment recommendations or investment advisory services to customers. A key difference between an advisory account and a traditional brokerage account is how you pay for the services you receive.

Broker-dealers typically provide transaction-specific recommendations and receive compensation on a transaction-by-transaction basis (such as commissions) (“transaction-based” compensation or model). A broker-dealer’s recommendation may include recommending transactions where the broker-dealer is buying securities from or selling securities to retail customers on a principal basis or recommending proprietary products, although it is noteworthy that McLaughlin Ryder carries no proprietary products.

Investment advisers, on the other hand, typically provide ongoing, regular advice and services in the context of broad investment portfolio management and are compensated based on the value of assets under management (“AUM”), a fixed fee or other arrangement (“fee-based” compensation or model). This variety is important because it presents investors with choices regarding the types of relationships they can have, the services they can receive, and how they can pay for those services. It is also common for a firm, like McLaughlin Ryder, to provide both broker-dealer and investment adviser services.

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

Importantly, regardless of whether a retail investor chooses a broker-dealer or an investment adviser (or both), the retail investor will be entitled to a recommendation (from a broker-dealer) or advice (from an investment adviser) that is in the best interest of the retail investor and that does not place the interests of the firm or the financial professional ahead of the interests of the retail investor.

***Why Choose an Advisory Program?***

To help you succeed in today's complex markets, you need objective advice that you can rely on. Sometimes, the best advice is to hold steady and maintain your investments. Other times, you may need to take immediate action. Above all, you need advice you can trust.

Over time, different investments come in and out of favor. Monitoring the market cycle and proactively rebalancing client accounts is one way to give clients an added piece of mind that someone is proactively looking after their money. Additionally, a dynamic approach to rebalancing isn't just marketing fluff. Depending on how you rebalance, investors may be able to earn up to an additional 0.5% per year from the monitoring and rebalancing process with investments. A managed account makes the process of monitoring and rebalancing simple, and, with the right partner, won't consume much of your time.

Following a disciplined investment process and working with a financial adviser can give you confidence that your investment portfolio is suitable for you based on your investment goals, time frame, and risk tolerance and that, with regular monitoring, you remain fully invested to help you meet those investment goals.

Advisory accounts can provide the following benefits:

- A fiduciary looking out after your best interests
- Greater fee transparency
- Ongoing monitoring and rebalancing
- Professional management and oversight
- Greater investment access
- More effective diversification
- An advice-based relationship

***What are my advisory choices?***

There are essentially two types of advisory programs. The first lets you give another party discretion over your account's day-to-day management. In other words, you can allow a portfolio manager — your Financial Adviser — to make decisions regarding buying, selling, and holding investments without consulting you.

The second program type allows you to collaborate with your Financial Adviser. He or she will provide information, including objective advice and guidance based on your investment needs, goals, and the other factors noted below. He or she will also take into account today's investment environment, to help you make your own buy, sell, and hold decisions.

How your portfolio investments are managed in either program type will depend on a variety of factors, in particular:

- What your long-term objectives are
- How much time you have to reach your objectives?
- The amount of risk you're comfortable with

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

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

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

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

The duty to provide advice that is in the best interest of the client includes a duty to provide advice that is suitable for the client based on a reasonable understanding of the client's financial and investment profile and objectives. The adviser must, at all times, have a reasonable belief that the advice they are providing is in the best interest of the client.

and seek best execution of a client's transactions where the investment adviser has the responsibility to select broker-dealers to execute client trades and not place its own interest ahead of its client's interests. The adviser also has the duty to provide advice and account monitoring over the course of the relationship.

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

McLaughlin Ryder's fiduciary commitment is further described in the Adviser's Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading in the Form ADV Part IIA disclosure brochure.

### **Investment Management Services**

McLaughlin Ryder is committed to providing you choices in how you do business with us. We offer a broad range of advisory programs designed to suit the level of involvement you prefer in the day-to-day management of your investments.

McLaughlin Ryder works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. The advisory consultation may encompass one or more areas of need, including but not limited to, financial position, risk tolerances, capital appreciation objectives, income and liquidity requirements, tax considerations, employee benefits, investment analysis, insurance analysis, retirement analysis, death and disability considerations, investment horizon, and estate planning. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly by the Client.

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

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

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

Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Adviser. McLaughlin Ryder will construct, implement and monitor the portfolio on either a discretionary or non-discretionary basis with respect to the Client's advisory agreement and investment policy statement. At no time will McLaughlin Ryder accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. Please see Item 12 – Brokerage Practices and Item 15 – Custody in the Form ADV Part IIA disclosure brochure.

McLaughlin Ryder serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Adviser upholds a duty of care, loyalty, best interest, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. MRI's fiduciary commitment is further described in the Adviser's Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading in the Form ADV Part IIA disclosure brochure.

McLaughlin Ryder will work with Clients to implement recommendations and referrals to other professionals may be made where appropriate to meet the Client's needs.

### **Retirement Plan Advisory Services**

MRI provides advisory services to retirement plans subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), including participant-directed defined contribution plans, such as 401(k) plans, and defined benefit plans ("ERISA Plan Clients"). Each ERISA Plan Client is required to enter into an advisory agreement with MRI (the "Advisory Agreement") describing the services that MRI will perform for the ERISA plan and its participants.

MRI provides both ERISA fiduciary services and non-fiduciary services to ERISA Plan Clients. MRI's fiduciary services include providing ERISA Plan Clients with investment advice about asset classes and investments, assisting in the selection of investments, assisting in the development of an investment policy statement, and monitoring investment performance.

MRI also provides investment advice to participants of ERISA participant-directed plans. These plan-level and participant-level investment advisory services are provided on a nondiscretionary basis and the ERISA Plan Client and plan participant (in the case of participant-level advice) retain and exercise final decision-making authority and responsibility for the implementation (or rejection) of MRI's recommendations.

MRI's non-fiduciary services include educating the ERISA Plan Client as to its fiduciary responsibilities, assisting the ERISA Plan Client in monitoring, selecting and supervising service vendors and in the case of participant-directed plans, assisting in group enrollment meetings and educating plan participants about general investment principles and the investment alternatives under the plan.

McLaughlin Ryder typically provides the following Plan Fiduciary Services pursuant to the scope and terms of McLaughlin Ryder's agreement with each Plan Sponsor:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Management Services (ERISA 3(38))
- Investment Oversight Services (ERISA 3(21))
- Performance Reporting
- ERISA 404(c) Assistance
- Qualified Default Investment Alternative Designation

McLaughlin Ryder may also provide communication and education services to the Plan and the Plan Participants, pursuant to the terms of the retirement plan advisory agreement. Services may include:

- Assist with Plan Participant enrollment
- Plan Participant Investment Education
- Periodic on-site visits with Plan Sponsor for account updates and reviews
- Periodic Plan Participant Education Advice (may require separate engagement y the Plan Participant)

These services are provided by McLaughlin Ryder serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of McLaughlin Ryder's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Adviser reasonably expects under the engagement.

For a more detailed description of MRI's services, the ERISA Plan Client should refer to the Advisory Agreement.

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

MRI's investment policy process is centered on the client. We work with our clients to understand their financial circumstances and goals. Creation of the Investment Policy Statement (IPS) is our first step. The IPS serves as the governing document for all investment decision making. This document lays out the overall investment goals for the portfolio. Specifically, it focuses on translating client goals into a set of investment objectives. These objectives involve risk tolerance from both a willingness and ability to accept financial risk as well as return objectives.

In addition, the IPS provides a framework for MRI to discuss with our client the processes we will utilize for monitoring, reviewing and rebalancing their account. The IPS helps us work with the client to establish:

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

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



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

***Client Account Management***

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

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

***Fees and Compensation***

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

***Portfolio Management Services***

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

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

Clients should be aware that if they elect to have a margin debit balance on their account, it will not reduce the market value of the eligible assets. The use of margin is not suitable for all investors, since it increases leverage in the client's account and therefore it's a risk. Please review the margin disclosure statement and general account agreement & disclosure document from MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) for more details on risks of margin use.

***Retirement Plan Advisory Services (ERISA Plans)***

Advisory services for ERISA Plan Clients are provided in exchange for a fee. The fee may be a fixed or an asset-based fee and may vary from client to client, based upon the complexity of the plan, the plan's objectives, and the services to be provided. In the case of asset-based fees, plan asset value is based upon the market value of included plan assets as reported by the plan custodian or record-keeper. Included plan assets are the plan assets for which MRI provides services as described in the Advisory Agreement. Fees may be billed in advance or in arrears and are calculated either monthly, quarterly or semi-annually as agreed to by the ERISA Plan Client under the Advisory Agreement. The fee amount, method of calculation, timing of payment, and whether it is to be paid in arrears or in advance, are also described in the Advisory Agreement.

For advisory services for ERISA Plans, the ERISA Plan is obligated to pay MRI's fee. As agreed, to under the Advisory Agreement between MRI and the ERISA Plan Client, the ERISA Plan Client may authorize the Plan custodian to automatically deduct the fee from the Plan or the ERISA Plan sponsor may choose to pay the fee.



MRI is a fiduciary under ERISA with respect to the investment advisory services described in the Advisory Agreement between MRI and the ERISA Plan Client. As such, MRI is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, MRI may only charge fees for investment advice about products for which MRI and/or its affiliates do not receive any commission, 12b-1 fees or other compensation, or conversely, if such compensation is received by MRI and/or its affiliates, MRI will offset such amounts against MRI's stated fee. Where MRI offsets such compensation amounts against its stated fee, MRI will disclose to the ERISA Plan Client the amount of such compensation, the services rendered for such compensation, the payer of such compensation and a description of the arrangement with the payer in accordance with the requirements of ERISA Regulation Section 2550.408b-2(c).

For advisory services provided to ERISA Plan Clients, either MRI or the ERISA Plan Client can terminate the Advisory Agreement at any time, without penalty, by sending the other party 30 days prior written notice. Both parties remain responsible for any transactions initiated before the agreement was terminated. If the ERISA Plan Client is billed in arrears, MRI will deliver a final billing statement prorated for the number of days in the fee period prior to the effective date of termination. If the ERISA Plan Client is billed in advance, MRI will pro-rate the fee based upon the number of days in the fee period prior to the effective date of the termination and refund to the ERISA Plan Client any unearned fee.

#### **Other Fees and Expenses**

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

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

#### **Mutual Funds Information**

In addition to MRI's investment advisory fees, clients will also incur, if they hold mutual funds within the investment advisory account, normal expenses and advisory fees imposed by the mutual funds held in the account (expense ratios are listed in each fund's annual report). Some mutual funds impose fees if they are sold prior to their short-term holding periods. Short term trading fees are detailed in each mutual fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of McLaughlin Ryder, but would not receive the services provided by McLaughlin Ryder which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by McLaughlin Ryder to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information in the Form ADV Part IIA disclosure brochure.

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

The additional compensation associated 12b-1 fees presents a conflict between the interests of clients on the one hand and those of MRI on the other. The additional compensation, if MRI were retaining it which we are not, would provide an incentive to MRI, in exercising discretion or making recommendations for your account, to choose or recommend investments that result in higher compensation to our firm. In these circumstances, it is our duty to determine that an investment made in your account or recommended to you that results in such additional compensation is in your best interest based up on the information you have provided us.

***Third-party Custodian / MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) Information***

Clients may also incur brokerage and/or other transaction costs from our custodian. These costs include but are not limited to handling fees, wire transaction fees, and check writing expenses. For more information regarding the costs that are charged to a client from MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK), please refer to the new account opening disclosure documents sent to the client directly from MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK).

MRI has a revenue sharing agreement on file with MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK), our custodian, regarding fees collected from margin interest, MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK)'s NTF mutual fund platform, cash balances/sweep accounts, handling, and other miscellaneous fees. This arrangement gives rise to a conflict of interest because MRI has an incentive to steer client assets to the MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) money market sweep funds that generate such revenue, rather than to products or custodians that do not generate such revenue. Clients should understand that the receipt of these distribution fees will result in higher compensation to MRI and will cause clients investing in these money market funds to incur higher ongoing costs and lower performance compared to other lower-cost cash sweep products that are made available by MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) or by other custodians.

Notwithstanding this conflict, MRI does not believe that this arrangement interferes with its provision of advice to clients because of its practices and controls. The Firm periodically reviews the fees it has negotiated with MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) against the services it receives. Also, MRI periodically samples client accounts to ensure investment activity, including any uninvested cash balances or allocation to cash, is consistent with their stated needs, objectives and financial situation.

MRI's NTF revenue-sharing agreement with MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK), and the existence of various fund share classes with lower internal expenses that MRI may not make available for purchase in its managed accounts, present a conflict of interest between clients and MRI or its advisers. A conflict of interest exists because MRI and your adviser have a greater incentive to make available, recommend, or make investment decisions regarding investments that provide additional compensation to MRI that cost clients more than other available share classes in the same fund that cost you less. For those funds where MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK) assesses transaction charges to MRI, a conflict of interest exists because MRI has a financial incentive to recommend or select NTF funds that do not assess transaction charges but cost you more in internal expenses than funds that do assess transaction charges but cost you less in internal expenses.

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

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

**ERISA Accounts:** McLaughlin Ryder Investments, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, McLaughlin Ryder Investments, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset McLaughlin Ryder Investments, Inc.'s advisory fees.

***Advance Payment of Fees***  
***Portfolio Management Services***

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

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

### **Retirement Plan Advisory Services**

Fees may be directly invoiced to the Plan Sponsor or deducted from the account of each Plan Participant, depending on the terms of the retirement plan advisory agreement, as agreed upon in the Investment Advisory Agreement.

### **Wrap Fee Program Details**

MRI offers several different wrap fee programs, some internal and others through MRI'S 3RD-PARTY CUSTODIAN (PERSHING OR B&H BANK). A wrap fee program is an investment account where you are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses. While wrap fee programs may be called different names—such as asset allocation program, asset management program, investment management program, or separately managed account—the defining feature is that a wrap fee program offers bundled investment management and brokerage services for one fee. Our financial planning services practices are provided to our clients on an hourly, monthly, quarterly, annual or flat fee basis for the services we provide. This is different than the wrap fee programs that we provide in which the client is charged a monthly or quarterly fee for the ongoing monitoring and management of their investment advisory account.

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

MRI is registered as an SEC Investment Adviser and also as a FINRA member Broker-Dealer. All clients who wish to enroll in a Wrap Fee Program with MRI are required to establish a brokerage account for this purpose. The Wrap Fee Programs offered by MRI are a combination of proprietary programs and programs offered through McLaughlin Ryder's clearing firm, Pershing. Some programs may include the services of outside 3<sup>rd</sup> party investment managers. Regardless of which Wrap Fee Program that you select, your contact regarding your Wrap Fee Program and investment advisory account with McLaughlin Ryder will be your Financial Adviser.

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

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

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

- Multiple-style portfolios
- Non-Discretionary or Discretionary mutual fund, equity, and fixed income
- Professional investment management
- Ongoing portfolio oversight
- Mass Affluent Investor: \$250,000 minimum

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

In certain limited instances, we may negotiate a customized fee schedule with clients, based on a multi-account asset aggregation formula (where we combine assets from your “family” of accounts with MRI), that is different than the fees described herein. In these instances, clients will be required to sign an additional addendum which will detail their fee schedule and the assets being combined. Fees for this investment advisory program are calculated on a quarterly basis based on the value of assets held in the account on the last business day for the previous month.

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

#### **Lockwood WealthStart Portfolios**

- Discretionary mutual fund/ETF account
- Investment minimums and professional management for emerging investors
- Ongoing Portfolio Oversight
- Emerging Investors: \$10,000 minimum, with minimum subsequent investments of \$1000 each

<b>Assets Under Management</b>	<b>Annual Fee %</b>
First \$500,000	1.40%
Next \$500,000	1.35%
Over \$1,000,000	1.25%
Program fees include the 3rd-party fee + MRI advisory fee. *Special Emerging Investor discounted rate.	

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

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

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

- Actively managed American Funds blended with ETFs
- Three objectives-based portfolios designed for accumulation, transition, and retirement
- Uses American Funds’ F3 share class and ETFs to keep fees low
- Emerging Investors: \$10,000 minimum, with minimum subsequent investments of \$1000 each

<b>Assets Under Management</b>	<b>Annual Fee %</b>
First \$500,000	1.75%
Next \$500,000	1.60%
Over \$1,000,000	1.35%
Program fees include the 3rd-party fee + MRI advisory fee.	

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

A portion of the fees charged for this program will be paid to your Financial Adviser in connection with the opening of this account as well as for providing client-related services within the program. This compensation may be more or

less than the Financial Adviser would receive if you paid separately for investment advice, brokerage and other services.

#### Lockwood Asset Allocation Portfolios

- Multiple-style portfolios
- Discretionary mutual fund/ETF account
- Professional investment management
- Ongoing portfolio oversight
- High Net Worth Investors: \$50,000 minimum, with minimum subsequent investments of \$1000 each

Assets Under Management	Annual Fee %
First \$500,000	1.75%
Next \$500,000	1.60%
Next \$4,000,000	1.30%
Next \$5,000,000	1.00%
Over \$10,000,000	Negotiable
Program fees include the 3rd-party fee + MRI advisory fee.	

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

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

#### Lockwood AdviserFlex Portfolios

- Flexible mutual fund/ETF wrap account
- Objectives-based investment strategies
- Portfolios tailored to meet investor needs
- High Net Worth Investors: \$50,000 minimum, with minimum subsequent contributions of \$1000 each

Assets Under Management	Annual Fee %
First \$500,000	1.75%
Next \$500,000	1.60%
Over \$1,000,000	1.35%
Program fees include the 3rd-party fee + MRI advisory fee.	

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

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

#### Lockwood Investment Strategies

- Discretionary unified managed account
- Tax-sensitive models available
- Analyzes risk exposure across all holdings

- High New Worth Individual: \$100,000 minimum, with minimum subsequent investments of \$2500 each

Assets Under Management	Annual Fee %
First \$500,000	2.05%
Next \$500,000	1.80%
Next \$4,000,000	1.40%
Next \$5,000,000	1.10%
Over \$10,000,000	Negotiable
Program fees include the 3rd-party fee + MRI advisory fee.	

The Strategies Program is a discretionary, multi-discipline managed account program that is housed in a single portfolio. The Strategies Program's investment strategies consist of five core models and variations thereto which span the risk/return spectrum ("Models"). In the Strategies Program, Lockwood acts as Manager and uses various Model Providers providing strategy-specific Models. Lockwood exercises discretion over the Client Accounts' assets managed under the Strategies Program. Each of the Models is described further in the Lockwood Brochure. Each Model may include equities, mutual funds and exchange-traded funds and other types of securities, as determined by Lockwood. A portion of the fees charged for this program will be paid to your Financial Adviser in connection with the opening of this account as well as for providing client-related services within the program. This compensation may be more or less than the Financial Adviser would receive if you paid separately for investment advice, brokerage and other services.

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

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

**ERISA Accounts:** McLaughlin Ryder Investments, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, McLaughlin Ryder Investments, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset McLaughlin Ryder Investments, Inc.'s advisory fees.

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

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

The increased asset-based fee that you pay may provide an incentive for your Financial Adviser to recommend the use of margin which would present a conflict of interest. However, we intend to make all recommendations independent of such considerations and based solely on our obligations to consider your objectives, needs and what is in your best interest. Please note that using margin is not suitable for all investors; the use of margin increases leverage in your account and therefore increases its risk. Please see the Margin Disclosure Statement and the Investment Advisory Account Agreement and Disclosure Document for more details on the risks of margin use.



**Additional Considerations Associated with Pledging Advisory Accounts**

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

**Account Termination**

Client Agreements may be terminated by either party at any time upon written notice. If you terminate your Agreement for an investment advisory program where a fee is charged on a quarterly basis in advance, a pro rata refund will be made for your investment advisory account, less reasonable start-up costs. If you terminate your Agreement for an investment advisory program where fees are charged on a monthly in arrears basis, a pro rata refund will not be made to your investment advisory account. In the event of cancellation of the Client Agreement by us, fees previously paid to us per the investment advisory program Fee Schedule will be refunded on a pro rata basis as noted above, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs.

If you choose to terminate your Agreement with any of our investment advisory programs, we can liquidate your account if you instruct us to do so. If so instructed, we will liquidate your account in an orderly and efficient manner. We do not charge for such redemption; however, you should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax adviser.

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

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

If a program account is terminated, but you maintain a brokerage account with us, the money market fund used in a "sweep" arrangement may be changed and/or your shares may be exchanged for shares of another series of the same fund. You will bear a proportionate share of the money market fund's fees and expenses. You are subject to the customary brokerage charges for any securities positions sold in your account after the termination of program services.

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

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

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

- Individuals
- High net worth individuals
- Trusts
- Estates
- Pension and profit-sharing plans



- Charitable organizations
- Corporations

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

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

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

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

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

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

### **Client Restrictions and Instructions**

We will comply with any reasonable instructions and/or restrictions you give us when making recommendations for your account. Reasonable instructions generally include the designation of mutual fund/securities or types of mutual funds/securities that should not be purchased for the account.

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

Our policy is generally to liquidate your existing securities portfolio immediately in newly established program accounts and reinvest the account in conformity with your target allocations. If you wish to hold certain positions for tax or investment purposes, you should notify your McLaughlin Ryder Financial Adviser and potentially consider holding these positions in a separate account.

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

We do not charge performance-based fees in any of our investment advisory programs. We do not have any side-by-side management situations.

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

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

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

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

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

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

**Voting Client Securities**

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

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

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

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

Your contact for information and consultation regarding your investment advisory program is your Financial Adviser. The Financial Adviser, who may or may not be your portfolio manager, will be able to assist you with any questions that you have regarding the investment advisory program you have selected. Clients do not have access to directly contact a portfolio manager for their account unless the portfolio manager is their Financial Adviser.

**Item 9 – Additional Information**

**Disciplinary Information**

There are no legal, regulatory or disciplinary events involving McLaughlin Ryder or any of its Supervised Persons. McLaughlin Ryder values the trust Clients place in the Adviser. The Adviser encourages Clients to perform the requisite due diligence on any adviser or service provider that the Client engages. The backgrounds of the Adviser and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Adviser's firm name or our CRD #147529.

For more information on broker-dealer related disciplinary event you may visit:

<https://brokercheck.finra.org/firm/summary/147529>

Our investment advisory disciplinary history is available by going to:

<https://adviserinfo.sec.gov/firm/summary/147529>

## **Other Financial Industry Activities and Affiliations**

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

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

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

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

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

Clients should be aware that the receipt of additional compensation by McLaughlin Ryder Investments, Inc. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. McLaughlin Ryder Investments, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

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

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

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

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. McLaughlin Ryder Investments, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. McLaughlin Ryder Investments, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

## **Review of Accounts**

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

Our Financial Advisers oversee reviewing the current investment strategy, such as the client's asset allocation and the account's performance, making revisions as needed based on a client's changing circumstances and/or the current economic environment. The CCO reviews all client accounts reviewed by the Financial Advisers, at least annually, once the Financial Adviser has completed their initial review.

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

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

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

You may receive written reports quarterly, semi-annually or annually upon your request as detailed in your Investment Policy Statement and for the program you have selected. For the MRI ELITE wrap fee program, the performance report package consists of:

- Portfolio Performance Summary (An aggregate view)
- Individual Account Performance (Breakdown by account)
- Portfolio Value Graph
- Asset Summary
- Investment Objective/Allocation Summary
- Comparative Holdings Report (Detailed)
- Disclosures

Account performance reports do not replace the account statements issued by PERSHING or Burke & Herbert Bank, depending on which is your account custodian. Both custodians issue client statements no less than quarterly, to all investment advisory clients on their books. You may also establish electronic access to the Custodian's website so that you may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to your account[s].

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

### **Client Referrals and Related Compensation**

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

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

### **Financial Information**

Neither McLaughlin Ryder, nor its management, have any adverse financial situations that would reasonably impair the ability of McLaughlin Ryder to meet all obligations to its Clients. McLaughlin Ryder participated in the CARES Act Paycheck Protection Program because the current economic uncertainty during the COVID-19 pandemic and national crisis made the loan request necessary to permit MRI to hire individuals affected by the pandemic and maintain staff. It was important to MRI to support small business employment and there was sound economic rationale behind MRI's decision to participate in the Program. Neither McLaughlin Ryder, nor any of its Advisory Persons have been subject to a bankruptcy or financial compromise. McLaughlin Ryder is not required to deliver a balance sheet along with this Disclosure Brochure as the Adviser does not collect fees of \$1,200 or more for services to be performed six months or more in advance.