



# Firm Brochure

(Part 2A and Part 2B of Form ADV)

Michael Brady & Co., LLC  
28871 Center Ridge Road, Suite 102  
Westlake, Ohio 44145  
(440) 235-2100  
(866) 217-9609 fax  
[www.michaelbradyco.com](http://www.michaelbradyco.com)  
[mike@michaelbradyco.com](mailto:mike@michaelbradyco.com)

This brochure provides information about the qualifications and business practices of Michael Brady & Co., LLC. If you have any questions about the contents of this brochure, please contact us at: (440) 235-2100, or by email at: [mike@michaelbradyco.com](mailto:mike@michaelbradyco.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

March 4, 2021

## **Item #2: Material Changes**

---

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

---

### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisors to provide a Firm Brochure in narrative "plain English" format. The new final rule specifies mandatory sections and organization.

The material changes in this brochure from the last annual updating amendment of the firm dated January 25, 2021 are described below. Material changes relate to Michael Brady & Co., LLC's policies, practices, or conflicts of interest.

- Michael Brady & Co., LLC has updated Disciplinary Information. (Item 9)
- 

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (440) 235-2100 or by email at: [mike@michaelbradyco.com](mailto:mike@michaelbradyco.com)

## Item #3: Table of Contents

<b>Item #1: Cover Page</b>	i
<b>Item #2: Material Changes</b>	ii
Annual Update	ii
Material Changes since the Last Update	ii
Full Brochure Available	ii
<b>Item #3: Table of Contents</b>	iii
<b>Item #4: Advisory Business</b>	1
Firm Description	1
Principal Owners	2
Types of Advisory Services	2
Tailored Relationships	3
Types of Agreements	3
Investment Management Services	3
Other Services	4
Termination of Agreement	4
<b>Item #5: Fees and Compensation</b>	5
Description	5
Fee Billing	5
Other Fees	6
Expense Ratios	6
Past-Due Accounts and Termination of Agreement	6
<b>Item #6: Performance-Based Fees</b>	7
Sharing of Capital Gains	7
<b>Item #7: Types of Clients</b>	7
Description	7
Account Minimums	7
<b>Item #8: Methods of Analysis, Investment Strategies and Risk Loss</b>	7
Methods of Analysis	7
Investment Strategies	8
Risk of Loss	9
<b>Item #9: Disciplinary Information</b>	11
Legal and Disciplinary	11
<b>Item #10: Other Financial Industry Activities and Affiliations</b>	11
Financial Industry Activities	11
Affiliations	11
<b>Item #11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	11
Code of Ethics	11

Participation or Interest in Client Transactions .....	12
Personal Training .....	13
<b>Item #12: Brokerage Practices .....</b>	<b>13</b>
Selecting Brokerage Firms.....	13
Best Execution.....	13
Soft Dollars.....	14
Order Aggregation.....	14
<b>Item #13: Review Accounts .....</b>	<b>14</b>
Periodic Reviews .....	14
Review Triggers.....	15
Regular Reports.....	15
<b>Item #14: Client Referrals and Other Compensation .....</b>	<b>15</b>
Incoming Referrals .....	15
Referrals Out.....	15
Other Compensation .....	15
<b>Item #15: Custody .....</b>	<b>16</b>
Account Statements .....	16
Limited Custody.....	16
<b>Item #16: Investment Discretion .....</b>	<b>16</b>
Discretionary Authority for Trading .....	16
Limited Power of Attorney .....	16
<b>Item #17: Voting Client Securities .....</b>	<b>17</b>
Proxy Votes .....	17
<b>Item #18: Financial Information.....</b>	<b>17</b>
Financial Condition.....	17
<b>Brochure Supplement (Part 2B of Form ADV).....</b>	<b>18</b>
Education and Business Standards .....	18
Professional Certifications .....	18
Michael C. Brady .....	18
Cameron M. Brady .....	20

## Item #4: Advisory Business

---

### Firm Description

Michael Brady & Co., LLC ("MB&Co") was founded in 2003.

MB&Co provides fee-only financial planning services in combination with fee-only investment management services. We specialize in retirement planning for pre-retirees and retirees. We offer a package of services that include:

- Reviewing and prioritizing goals and objectives
- Developing a summary of your current financial situation
- Reviewing your current investment portfolio and developing an asset management strategy
- Developing a retirement income strategy, including financial projections of cash flows and assets required at estimated retirement date
- Determining an optimal Social Security claiming strategy
- Assessing estate net worth and liquidity
- Confirming proper beneficiary designations and the existence of proper estate planning documents
- Identifying tax planning strategies to optimize financial position
- Assessing risk management and review of current insurance coverages including Medicare and Medicare supplement policies
- Developing an asset protection and long-term care financing strategy
- Making recommendations designed to meet your stated goals and objectives
- Developing an action plan to implement the agreed upon recommendations
- Referral to other professionals as required to assist with implementation of the recommendations
- Assisting you with the implementations of the recommendations
- Determining the necessity to revise your financial plan

In combination with these financial planning services we provide investment management services. We charge a fee for this combination of financial planning and investment management services. Our fee is described below.

MB&Co is strictly a fee-only financial planning and investment advisory firm. The firm and its employees do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted. MB&Co does not receive any direct compensation from anyone other than the client.

Investment advice is provided on a discretionary basis. MB&Co does not act as a qualified custodian of client assets. While MB&Co can move money between client accounts under a client's prior written standing instructions at client's request, client always maintains asset control. MB&Co places trades in client's account under a limited power of attorney.

An evaluation of each client's initial situation is provided to the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as needed basis. MB&Co does not provide tax preparation or legal services. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be in-person, by telephone or video, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment advisory services may be beneficial to the client.

Clients must maintain a minimum combined account balance of \$250,000 in their accounts under management with us. We may waive this requirement at our sole discretion.

---

## **Principal Owners**

Michael Brady owns 95% of the outstanding shares of MB&Co. Cameron Brady owns 5% of the outstanding shares of MB&Co.

---

## **Types of Advisory Services**

Investment Management: MB&Co provides investment management services, also known as asset management services, and furnishes investment advice through consultations.

As of December 31, 2020, MB&Co manages approximately \$130,797,236 in assets for approximately 227 clients. Approximately \$130,797,236 is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis.

Financial Planning: On more than an occasional basis, MB&Co furnishes advice to clients on matters not involving securities, such as determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. These services are considered financial planning services.

---

## Tailored Relationships

The goals and objectives for each client are documented in our client relationship management and financial planning systems. An Investor Profile is created that reflects each client's stated goals and objectives, time horizon, risk tolerance, and liquidity need. Clients may impose restrictions on investing in certain securities or types of securities.

---

## Types of Agreements

Investment Management: Our Investment Management Services Agreement and Investor Profile define the investment management client relationship. All investment management clients sign our Investment Management Services Agreement which describes the terms under which accounts will be accepted by MB&Co. Our Investment Management Services Agreement may not be assigned without client consent.

Financial Planning: Our Financial Planning Engagement Letter defines the financial planning client relationship. All financial planning clients sign our Financial Planning Engagement Letter which describes the terms under which we will provide financial planning advice and services.

---

## Investment Management Services

MB&Co believes that a successful investment program requires:

- A defined set of investment objectives based on a thorough review of the client's investment time horizon, long-term goals and expectations, and short-term risk attitudes (the "Investor Profile")
- A diversified asset allocation strategy designed to meet the client's objectives with an acceptable amount of investment risk
- A process of evaluating and selecting professional investment managers
- A process of carefully monitoring investment activity and adjusting and rebalancing the portfolio.

MB&Co provides client a full-service investment approach utilizing low-fee, no-commission, stock, bond and/or balanced mutual funds, exchange-traded funds ("ETFs"), money market funds, and/or individual stocks and bonds.

MB&Co may utilize low-fee, no-commission mutual funds and ETFs in a strategic, globally allocated portfolio. This is generally a buy-and-hold strategy with periodic rebalancing. Orders to purchase or sell securities are placed infrequently and primarily when adverse fund performance or other factors indicate replacing one fund with another, rebalancing of the account is necessary, or the client contributes or withdraws funds to/from the account.

MB&Co may utilize third-party investment advisors and private money management firms as sub-advisors to manage portfolios of individual stocks and/or bonds, no-commission mutual funds and/or ETFs for client accounts. These accounts generally utilize tactical management and experience more trading than our buy-and-hold strategy.

MB&Co may also provide consultative advice concerning the following investments: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U.S. government securities, options contracts, futures contracts, and interests in partnerships.

---

### **Other Services**

MB&Co may also provide advice to clients not involving securities. These services may be termed financial planning services. Clients may select certain services to be performed either as a package of services or ala carte.

MB&Co does not provide tax preparation or legal services.

Clients who maintain an Investment Management Services Agreement will be provided with a cloud-based client web portal and personal financial organizer which will be used to provide account aggregation, financial planning, and secure document storage.

---

### **Termination of Agreement**

Financial Planning: Our Financial Planning Engagement Letter is an ongoing agreement. We will provide financial planning services to you as long as you maintain an Investment Management Services Agreement with us. You are engaging MB&Co to provide financial planning services to you on an as-needed basis. MB&Co or client may terminate the Financial Planning Engagement Letter at any time by providing verbal notice to the other party.

Investment Management: Our Investment Management Services Agreement is an ongoing agreement and constant monitoring and servicing are required. Under the Investment Management Services Agreement, length of service to the client is at the client's discretion. MB&Co or client may terminate the Investment Management Services Agreement at any time by providing verbal notice to the other party.



## Item #5: Fees and Compensation

---

### Description

MB&Co provides investment management services and financial planning services as a package. As such, you will pay us directly a fee that is computed as a percentage of the assets you have invested with us. This is the only compensation that we receive. We do not receive any commissions or any other compensation from the sale of any investment or insurance product. We do not receive any compensation from any professional that we may refer you to. We do not receive any direct compensation from any broker-dealer or custodian that you may use. Because we compute our fee as a percentage of your invested assets, we have a conflict of interest. The more assets that clients maintain in their advisory accounts, the more a client will pay in fees, and we may therefore have an incentive to encourage the client to increase the assets in his or her account.

Clients receive investment management services and financial planning services for a fee computed by a percentage of assets under management, as per the fee schedule below:

<u>Account Size</u>	<u>Annual Fee Percentage</u>
Up to \$250,000	1.50%
\$250,001 to \$1,000,000	1.00%
\$1,000,001 to \$3,000,000	0.80%
\$3,000,001 to \$5,000,000	0.70%
Over \$5,000,000	0.60%

Our fee schedule is not tiered. For example, a client with \$500,000 would pay 1.00% or \$5,000 per year. A client with \$2,000,000 would pay 0.80% or \$16,000 per year.

All fees are negotiable. Current client relationships may exist where the fees are lower than the fee schedule above. MB&Co, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g. historical relationship, anticipated future additional assets, related accounts, negotiations with clients, etc.).

---

### Fee Billing

One fourth of the annual advisory fee will be charged each calendar quarter based on the account's market value at the end of the prior quarter (or on the initial deposit amount in the first quarter.) Investment management fees are billed in advance, meaning that we invoice you at the beginning of the three month period. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designed client account to facilitate billing.

The client must consent, in writing, in advance to direct debiting of their investment account. At termination, client is responsible for any advisory fee accrued from the beginning of the quarter to the date of termination. MB&Co is responsible for refund of any payment made in advance accrued from the date of termination to the end of the quarter.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

---

## **Other Fees**

Sub-Advisors: Investment management fees charged by third-party sub-advisors are not included in, and are in addition to, MB&Co's fees.

Custodians: Custodians may charge transaction fees on purchases or sales of certain stocks, bonds, mutual funds, exchange traded funds or other securities. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. See "Brokerage Practices" below for more information concerning the selection of Custodians. MB&Co will attempt to minimize transaction fees where possible.

Custodians may also charge various fees for services they provide. Custodians will provide a list of these various fees to clients at the time accounts are established.

Other Professionals: If we refer you to other professionals (i.e. attorneys, accountants, insurance agents, etc.) you may also pay fees to them for their services.

---

## **Expense Ratios**

Mutual funds and ETFs generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company or ETF manager charges 0.5% annually for their services. These fees are in addition to the fees paid by you to MB&Co.

Performance figures quoted by third-party private money managers, sub-advisors, mutual fund companies and ETFs in various publications are after their fees have been deducted.

---

## **Past-Due Accounts and Termination of Agreement**

Under the Investment Management Services Agreement, asset management fees at termination will be billed on a prorata basis for the portion of the quarter completed. The portfolio value at

the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

If the client made an advance payment, MB&Co will refund any unearned portion of the advance payment. Any unused portion of fees collected in advance will be refunded within 90 days.

MB&Co reserves the right to stop work on any account that is more than 90 days overdue. In addition, MB&Co reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in MB&Co's judgement, to providing proper financial advice.

## **Item #6: Performance-Based Fees**

---

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

MB&Co does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment strategy that may carry a higher degree of risk to the client.

## **Item #7: Types of Clients**

---

### **Description**

MB&Co generally provides financial planning and investment management services to individual retirees and pre-retirees. Client relationships vary in scope and length of service.

### **Account Minimums**

Clients must maintain a combined account balance of \$250,000 in their accounts under management with us. We may waive this requirement at our sole discretion.

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

---

### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: **(1)** the markets do not always repeat cyclical patterns and **(2)** if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Other sources of information that MB&Co may use include research services from Morningstar Inc., Fidelity Institutional Wealth Services, Kwanti Analytics and Clearnomics Inc.

---

## **Investment Strategies**

The primary investment strategy used on client accounts is strategic, global asset allocation with periodic rebalancing. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investor Profile that documents their objectives and their desired investment strategy.

Other strategies may include long-term trading, short-term trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading

strategies). Many of these strategies may be provided by private money managers acting as sub-advisors to client accounts. More frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short-term trading risks include liquidity, economic stability and inflation, in addition to the long-term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short sales entail the possibility of unlimited loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. Leverage enhances the ability to acquire assets, but also amplifies net profits and losses and increases transaction costs. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

---

## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond (fixed income) nature or stock (equity) nature, or a mix of multiple underlying security types.
- Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movement. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value-NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

## **Item #9: Disciplinary Information**

---

### **Legal and Disciplinary**

There are no legal or disciplinary events that are material to a client's or perspective client's evaluation of our advisory business or the integrity of our management.

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

---

### **Financial Industry Activities**

MB&Co, and its management employees, are engaged solely as a fee-only financial planning and investment advisory firm.

### **Affiliations**

MB&Co, and its management employees, do not have any arrangements that are material to their advisory business or their clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

---

### **Code of Ethics**

The Investment Advisors Act of 1940 imposes a fiduciary duty on investment advisers. As a fiduciary, MB&Co has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all of our employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principal underlying our Code of Ethics (the "Code") and our Personal Trading Policy, and represents the expected basis of all of our dealings with our clients.

MB&Co has adopted the Code which includes written procedures governing the conduct of MB&Co's employees. The Code deals with standards of conduct, protection of material non-public information, personal conduct of employees, and personal trading policies. The Code includes sanctions for violations and is overseen by MB&Co's Chief Compliance Officer.



Clients may request a copy of the Code and our Personal Trading Policy by contacting Michael Brady by email at [mike@michaelbradyco.com](mailto:mike@michaelbradyco.com) or by mail c/o Michael Brady & Co., LLC, 28871 Center Ridge Road, Suite 102, Westlake, Ohio 44145.

All Financial and investment advisors have some types of conflicts. Our clients pay our firm fees based upon a percentage of the assets we advise upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. Our firm does not accept commission-based compensation of any nature, nor does our firm accept 12b-1 fees, finder's fees, or referral fees.

Our method of compensation can still at times lead to a conflict of interest between our firm and our client as to the advice we provide. For example, conflicts of interest may arise relating to the following financial decisions in life: to incur or pay down debt; to gift funds to charities or to individuals; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; making an investment in private equity investments (private real estate ventures, closely held businesses, etc.); and the amount of funds to place in non-managed cash reserve accounts. These decisions have the effect of decreasing the amount of investment assets you have and thus decrease the amount of our fee. We have adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you remains at all times in your best interests, disregarding any impact of the decision to be undertaken upon our firm.

As we seek to avoid material conflicts of interest, neither our firm nor its employees receive any third party direct monetary compensation (i.e. commissions, 12b-1 fees, or other fees) from brokerage firms (custodians), mutual fund companies, or private money managers. However, some non-direct compensation is provided to our firm as a result of its relationships with custodian(s). Our firm believes that the services and benefits actually provided to it by brokerage firms (custodians) do not materially affect the investment management recommendations made to clients of our firm. See "Item #9: Brokerage Services-Soft Dollars" section below.

---

### **Participation or Interest in Client Transactions**

MB&Co and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the MB&Co Compliance Manual and the MB&Co Code of Ethics.

---



## **Personal Trading**

The Chief Compliance Officer of MB&Co is Michael Brady. He reviews all employee trades on a regular schedule. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not significantly affect the securities markets.

## **Item #12: Brokerage Practices**

---

### **Selecting Brokerage Firms**

MB&Co does not have any affiliation with product sales firms but MB&Co may recommend specific brokers for custody and execution of trades. In so doing, MB&Co considers various factors including:

- Financial condition
- Acceptable record keeping
- Ability to obtain best price
- Knowledge of market, securities and industries
- Commission structure
- Reputation and integrity

Specific custodian recommendations are made to Clients based on their need for such services.

MB&Co recommends Fidelity Institutional Wealth Services ("Fidelity") as a preferred custodian for clients' accounts. Through this program, Fidelity provides both brokerage and custodial services to MB&Co's clients, although clients may elect for their accounts to be held at another custodian with MB&Co's approval.

Should MB&Co trade in securities in which MB&Co is uncomfortable with any custodian's ability to deliver best execution, MB&Co will locate a more suitable broker using factors outlined above.

MB&Co does not receive compensation, fees or commissions from any of these arrangements.

---

### **Best Execution**

MB&Co reviews the execution of trades at each custodian on a regular schedule. The review is documented by our Compliance Officer. Transaction fees charged by the custodians are also reviewed on a regular schedule. MB&Co does not receive any portion of the transaction fees.

---

## Soft Dollars

MB&Co participates in the advisor services programs (ASP) of custodians such as Fidelity. While there is no direct linkage between the investment advice given and participation in the advisor services program, economic benefits are received by MB&Co which would not be received if our firm did not give investment advice to clients. These benefits include:

- Receipt of electronic duplicate client confirmations
- Receipt of electronic duplicate statements
- Access to a trading desk serving ASP participants exclusively
- Access to the investment advisor portion of the ASP websites which includes practice management articles, compliance updates, and other financial planning related information and research materials
- Access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by the ASP
- Permitting our firm to access an electronic communication network for client order entry and various account information

Participation in the advisor services program also provides access to certain mutual funds and private money management firms which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

---

## Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. MB&Co does not utilize block trading.

---

## Item #13: Review of Accounts

---

### Periodic Reviews

The nature and frequency of account reviews depend upon the type of investment account being managed. Accounts are generally monitored on a monthly, quarterly or annual basis, depending upon the needs of the client and the investment objective and policies of the account, and are reviewed by a management employee.

Reviews are conducted to ensure that the accounts are being managed in accordance with stated objectives and policies, and in order to facilitate and implement those objectives and policies. Management employees are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Based upon these reviews, MB&Co may make purchases or sales of securities for its clients.

---

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own financial situation.

---

### **Regular Reports**

The custodian will promptly send account statements as well as confirmations of transactions executed in the account to the client and/or the client's designated party. MB&Co does not assume any responsibility for the accuracy of the information furnished by any custodian or any other party. MB&Co does not provide account statements or any investment performance reporting. Client should review custodial statements promptly when received and report any concerns to MB&Co and their custodian.

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

---

### **Incoming Referrals**

MB&Co has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not directly or indirectly compensate referring parties for these referrals.

---

### **Referrals Out**

MBCO does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

---

### **Other Compensation**

MB&Co only accepts our financial planning and investment advisory fees which are directly paid by our client. MB&Co does not receive any other direct compensation. MB&Co receives indirect benefits from custodians as described in the Brokerage Practices section above.

## **Item #15: Custody**

---

### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients should carefully review those statements.

---

### **Limited Custody**

When we deduct fees directly from client accounts at a selected custodian, MB&Co will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Custody is also disclosed in Form ADV because MB&Co may have the authority to transfer money from client account(s), which constitutes a Standing Letter of Authorization (SLOA). Accordingly, MB&Co will follow the safeguards specified by the Securities and Exchange Commission rather than undergo an annual audit.

## **Item #16: Investment Discretion**

---

### **Discretionary Authority for Trading**

MB&Co accepts discretionary authority to manage securities accounts on behalf of clients. MB&Co has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold and the timing of the purchases or sales.

The client approves the custodian to be used and the commission rates paid to the custodian. MB&Co does not receive any portion of the transaction fees or commissions paid by the client to the custodian on any trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

---

### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the investment strategy that you have pre-approved.

You may also give us the authority to direct your custodian to transfer funds between your accounts held with the custodian and to direct the custodian to send you funds either by check payable to you and mailed to your address of record or to transfer funds between your bank accounts and your accounts with your custodian. You can also direct us in writing to direct your custodian to transfer funds from your accounts to third parties for your benefit. These transfers constitute a standing letter of authorization (SLOA).

## **Item #17: Voting Client Securities**

---

### **Proxy Votes**

Without exception, MB&Co does not vote proxies on behalf of clients. All proxy materials received on behalf of a client account are to be sent directly to clients or their designated representative who is responsible for voting the proxy. Clients may appoint a sub-advisor to be their designated representative.

MB&Co employees may answer questions regarding proxy-voting matters in an effort to assist the client in determining how to vote the proxy. However, the final decision of how to vote the proxy rests with the client or their designated representative.

## **Item #18: Financial Information**

---

### **Financial Condition**

MB&Co does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because MB&Co does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Due to the COVID-19 pandemic in 2020 and the resulting historic decline in market values, Michael Brady & Co., LLC elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. Michael Brady & Co., LLC used this loan predominantly to continue payroll for the firm and has requested loan forgiveness per the terms of the PPP. Michael Brady & Co., LLC also elected to participate in the CARES Act's Economic Injury Disaster Loan ("EIDL") program to strengthen its balance sheet. Due to these and other measures taken internally, Michael Brady & Co., LLC was able to operate and continue serving its clients.

## Brochure Supplement (Part 2B of Form ADV)

---

### Education and Business Standards

MBCO requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and investment management.

Examples of acceptable coursework include: an MBA, CFP®, CFA, ChFC, CIMA®, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

---

### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner™ Practitioner (CFP®): Certified Financial Planner™ Practitioners are licensed by the CFP Board and use the CFP® mark. CFP® certification requirements include:

- Bachelor's degree from an accredited college or university
  - Completion of the financial planning education requirements set by the CFP Board
  - Successful completion of the 10-hour CFP® Certification Exam
  - Three-year qualifying full-time work experience
  - Successfully pass the Candidate Fitness Standards and background check
- 

### Michael C. Brady

Date of Birth: 1957

Educational Background:

- Bachelor of Science in Business Administration (BSBA)  
Finance Major  
Fisher School of Business  
The Ohio State University  
Columbus, OH  
1979

- o Master of Business Administration (MBA)  
Finance Major  
Monte Ahuja College of Business  
Cleveland State University  
Cleveland, OH  
1982
- o Certified Financial Planner™ Practitioner (CFP®)  
College for Financial Planning  
Denver, CO  
1985
- o Executive Education leading to the Certified Investment Management Analyst® (CIMA®) certification  
The Wharton School  
University of Pennsylvania  
Philadelphia, PA  
2000

Business Experience:

- o Michael Brady & Co., LLC, President & CEO, 2004-present
- o Prim Capital Corporation, Senior Managing Director, 1997-2004
- o Chapel Hill Securities, Inc., President & CEO, 1990-2004
- o Brady Foley & Company, Managing Director, 1987-1990
- o National City Bank, Vice President, 1979-1987

Disciplinary Information:

Michael C. Brady has no legal or disciplinary events that are material to a client's or perspective client's evaluation of our advisory business or the integrity of our management.

Other Business Activities: None

Additional Compensation: None

Supervision:

Michael C. Brady is the Chief Compliance Officer of MBCO. As such, he reviews his own work and is assisted in his compliance activities by his compliance assistant who prepares reports of the activities of all of MBCO's employees utilizing our client relationship management system and the trading system of our custodian.

You may contact the Chief Compliance Officer at:

Phone: (440) 235-2100

Email: mike@michaelbradyco.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

---

## **Cameron M. Brady**

Date of Birth: 1989

### Educational Background:

- o Bachelor of Science in Business Administration (BSBA)  
Finance and Financial Services Major  
Haub School of Business  
Saint Joseph's University  
Philadelphia, PA  
2012
- o Certified Financial Planner™ Practitioner (CFP®)  
DePaul University  
Chicago, IL  
2015

### Business Experience:

Michael Brady & Co., LLC, Vice President & Financial Advisor, 2017-present  
CliftonLarsonAllen Wealth Advisors, Associate Wealth Advisor, 2014-2017  
Mass Mutual, Wealth Management Associate, 2012-2014

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None



Supervision:

Michael C. Brady is the Chief Compliance Officer of MBCO. As such, he reviews Cameron's work and is assisted in his compliance activities by his compliance assistant who prepares reports of the activities of all of MBCO's employees utilizing our client relationship management system and the trading system of our custodian.

You may contact the Chief Compliance Officer at:

Phone: (440)235-2100

Email: [mike@michaelbradyco.com](mailto:mike@michaelbradyco.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None