

**Item 1: Cover Sheet**

**PART 2A OF FORM ADV:  
INFORMATIONAL BROCHURE**

**MCP ADVISORS, LLC**

3001 Huntwick Court  
Henrico, VA 23233

Robert Freeman  
646-395-3900

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**This brochure provides information about the qualifications and business practices of MCP Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 646-395-3900. 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. MCP Advisors, LLC is a registered investment adviser. Registration does not imply any certain level of skill or training.**

**Additional information about MCP Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:           Statement of Material Changes**

We are required to disclose in this Item 2A any material changes since our last Form ADV Part 2A was distributed. The firm's address has changed to: 3001 Huntwick Court, Henrico, VA 23233.

**Item 3: Table of Contents**

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INFORMATIONAL BROCHURE  
MCP ADVISORS, LLC

**Item 4:      Advisory Business**

A.      Firm Information

MCP Advisors, LLC ("MCP") has been in business since 2020. MCP is owned by Robert Freeman.

B. Advisory Services Offered

The firm provides financial advice to individuals, pension and profit sharing plans, trusts, estates, and businesses.

Financial Planning

In most cases, the client will supply to MCP information including income, investments, savings, insurance, age and many other items that are helpful to the firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you, and compare your current financial situation with the goals you state. Once these are compared, we will create a financial and/or investment plan to help you meet your goals.

The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your circumstances and needs may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate.

Asset Management

Asset management services involve the rendering of advice to clients regarding the purchase and sale of securities in the client's account.

MCP requires each client to place at least \$1,000,000 with the firm. This minimum may be waived at the discretion of MCP. Some clients who wish to access multiple asset management styles, specifically third party managers, may be required to have a greater account minimum.

Asset management services may be provided on either a "discretionary" or "non-discretionary" basis. When MCP is engaged to provide asset management services on a discretionary

basis, MCP will monitor the accounts to ensure that they are meeting the client's asset allocation requirements. If any changes are needed, MCP will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. Clients may at any time place restrictions on the way their account is managed. For example, a client may restrict the types of investments MCP may use in the client's account, or the allocations to a security type. Clients engaging MCP on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and MCP.

When a client engages MCP to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to the account will not be made until MCP has confirmed with the client (either verbally or in writing) that the proposed change is acceptable to the client.

When clients engage MCP to provide asset management services, the client and MCP will execute an Investment Management Agreement that describes the services to be provided, the fees for the service, other expenses related to the provision of the investment management services, and how to terminate the agreement.

#### Asset under Management

As MCP is a newly formed firm, it does not have any assets under management to report as of this date.

### **Item 5: Fees and Compensation**

#### **A. Fees Charged**

All clients will be required to execute a written agreement that will describe the type of services to be provided and the fees, among other items.

#### Financial Planning

Financial planning fees can be hourly, fixed fee basis, or included with asset management services. Our hourly charge is between \$125 and \$350 per hour. Fixed fees will be between \$2,000 and \$15,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable, and will depend on the anticipated complexity of your plan.

#### Asset Management

Generally, fees may vary from 0.50% to 2.00% per annum of the market value of a client's assets managed by MCP. The value used to calculate the asset management fee will include

any allocation to cash or cash-like instruments, such as money market funds or accounts, of the client's investable assets. Investable cash means cash that is in client account as an asset allocation. Cash that is not in investable cash is cash that has been identified by the client as designated for a specific purpose. MCP may also charge a fee for investments held outside of MCP's custodial vendors as determined by MCP and the client. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

#### B. Fee Payment

Investment management fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our fee. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to MCP. Fees are not necessarily based on a calendar quarter. Rather, fees for each client may be based on quarters specific to that client. For example, if a client becomes a client in February, instead of being charged for the balance of the first quarter, and then for each subsequent calendar quarter thereafter, they may be charged for the quarter of February, March and April. In that case, their next billing will be May, June and July, and so on. Deposits and/or withdrawals of \$10,000 or more made during the calendar quarter will be prorated and charged or rebated in advance (arrears), as applicable.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

#### C. Other Fees

As further discussed in response to Item 12 (below), MCP generally recommends that clients utilize the brokerage, custodial, and clearing services of Schwab Advisor Services ("Schwab") for investment management accounts. MCP may only implement its investment management recommendations after the client has arranged for and furnished MCP with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Schwab, any other broker-dealer recommended by MCP, broker-dealers directed by the client, trust companies, banks, etc. (collectively referred to herein as the "Financial Institutions").

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions

and transaction fees. Such charges, fees and commissions are exclusive of and in addition to MCP's fee. When recommending mutual funds that have multiple share classes, MCP will take into account the internal fees and expenses associated with each share class, and select the most cost effective share class that still meets the client's needs and objectives and is available to the client.

MCP may invest certain qualified clients in Private Funds (e.g. Private Equity Funds, Hedge Funds, etc.) depending on their risk tolerance and investment goals. Clients should be aware that investments in Private Funds generally carry additional fees in addition to MCP's asset management fee. These additional fees may be in the Form of fund expenses, incentive fees, carried interest, etc.

Please make sure to read Item 12 of this informational brochure, regarding broker-dealer and custodial issues.

**D. *Pro-rata Fees***

If a client engages MCP to provide asset management services during a quarter, the client will pay a management fee for the number of days left in that quarter. If a client terminates the relationship during a quarter, the client will be entitled to a refund of any management fees for the remainder of the quarter. Once a notice of termination is received, MCP will refund the unearned fees to the client in whatever way the client prefers (check, wire back to your account).

**E. Compensation for the Sale of Securities.**

Neither MCP, nor any advisory affiliate receives compensation or other commission for the sale of securities or investment products.

**Item 6: Performance-Based Fees**

MCP will not charge performance based fees.

**Item 7: Types of Clients**

Clients advised may include individuals, trusts, foundations, endowments and corporations. MCP requires clients to have an account minimum of \$1,000,000. The minimums may be waived at the discretion of MCP.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

At the onset of the client relationship, MCP will:

- 1) Interview the client, establish risk tolerance, investment horizon, income/distribution needs and any other constraints that may play a role in the client's investment parameters
- 2) Determine an appropriate asset allocation and investment management strategy, including the general management approach that would be appropriate to meet the client's needs.
- 3) Prepare a written investment policy outlining the above for the client, including a schedule for regular reviews.
- 4) If needed, MCP will prepare a transition plan from the client's current accounts to the accounts managed by MCP. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

Once each client is interviewed and a transition plan is made to an MCP strategy, the client's assets will be placed in one or more of the following strategies:

### ***Separate Accounts***

Each client account is separately managed, and invested according to that client's investment objective. Once each account's objectives are ascertained, MCP will develop a set of asset allocation guidelines. An asset allocation guideline is a percentage-based allocation among different types of assets like stocks, fixed income, or third part managers with specific expertise (asset classes), or specific types of securities (large cap, mid-cap). For example, a client may have an asset allocation strategy that calls for 80% of the portfolio to be invested in equity securities and fixed income and the rest invested with third party managers. Within each main allocation may be sub-allocations. For example, a client with 80% in direct securities may have a mix of large cap, mid cap and small cap equities combined with mutual funds and fixed income, while another client's direct securities might be all in ETFs and mutual funds. Each client is managed individually.

The percentages in each asset type recommended by MCP are based on the typical behavior of that security type, individual securities we follow current market conditions, the client's current financial situation, financial goals, and the timeline to achieve those goals. Because MCP develops an investment strategy based on each client's personal situation and financial goals, each client's asset allocation guidelines may be similar to or different from another client's. It is important to remember that because market conditions can vary greatly, asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

Once the client's asset allocation guidelines are established, a selection of appropriate directly-owned security types is selected. The broad categories of securities MCP works with are: individual stocks, bonds, ETF's (exchange traded funds) and mutual funds. Different asset types tend to behave differently in different market environments and there can be benefits to diversification.



Specific equity and fixed income securities are chosen based on a variety of factors including dividends, income, interest rates, company management, price to earnings ratios, and other factors. Specific mutual funds are chosen based on where its investment objective fits into the asset allocation recommended by MCP, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund MCP deems relevant to that particular fund. MCP bases its conclusions on publicly-available research, such as regulatory filings, press releases, purchased research, and proprietary screens and analytics.

As assets are transitioned from a client's prior advisers to MCP there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by MCP. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. In the event an investment in a client account is unable to be unwound for a period of time, MCP will monitor the investment as part of its services to the client. MCP may suggest that a given investment be moved to a separate account.

### ***Options***

MCP may use options as part of an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock or ETF) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset. The two types of options are calls and puts.

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. We may buy a call if we believe that the price of the underlying security may increase before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We may buy a put if we believe that the price of the underlying security may fall before the option expires.

MCP may also sell puts and calls as well, or employ other more sophisticated options strategies. We will use options to "hedge" a purchase of the underlying security or related positions; in other words, we will use an option purchase to limit the potential upside and/or downside of a security or related positions we have purchased for your portfolio.

MCP may use "covered calls", in which we sell an option on a security owned within a portfolio. In this strategy, you receive a premium for making the option available, and the person purchasing the option has the right to buy the security from you at a predetermined price.

MCP may also utilize two or more options at the same time, to take advantage of the difference between them, called a “spread”. For example, a put option that you buy and a put option that you sell for the same underlying security. This can provide partial downside protection by giving the adviser the ability to limit some of the variables of price, time and other factors. We typically use this kind of strategy to provide downside protection for a portfolio, but may also utilize the concept of option spreads to generate returns if the client’s portfolio and market conditions warrant such a strategy.

### ***Model Portfolios***

On occasion, all or a portion of a client’s accounts will be managed through the use of MCP’s proprietary models, which it uses to guide the stock positions in client portfolios. Each client account is coded to indicate the model it is attached to. All client accounts in each model are managed on a *pari passu* basis. In other words, unlike the Separate Account strategy outlined above, all accounts managed within each model are managed in a like manner, side by side with one another, and not individually considered. When the financial advisor managing the model wishes to make a change to the investments in the accounts participating in that model, the financial advisor implements a single change, as if the financial advisor were only managing one account. The individual participating accounts are then allocated their share of the investment purchase or sale.

Accordingly, while a client may request limitations on MCP’s discretionary authority, some requested limitations may not be possible to achieve within a model portfolio, because all accounts participating in each model are done in the same manner. In this case, the client and the firm will mutually agree to either terminate the engagement, accept the asset allocations in the strategy, or have the client’s assets placed in another strategy.

Prior to participating in a particular model portfolio, each client will receive a complete description of the strategy such model portfolio follows as part of the engagement to provide advisory services.

As a result of MCP’s interviewing clients, MCP is often in a position to recommend the appropriate model for the client’s needs. In other instances, clients may have a specific type of equity portfolio in mind, either due to their investment interest, their overall global asset allocation, or their expected risk and return guidelines.

Specific securities within each model are chosen based on a variety of factors including dividends, income, interest rates, company management, price to earnings ratios, and other factors. MCP bases its conclusions on publicly-available research, such as regulatory filings, press releases, purchased research, and proprietary screens and analytics we undertake on our own. We also utilize quantitative analysis and from time to time technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

### ***Third Party Managers***

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy. We consider private placement, or "hedge funds" as third party managers. No assets will be allocated to third party managers without prior permission from the client. Permission for such allocations will be obtained for each allocation.

We examine the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client, unless the client has engaged us on a non-discretionary basis. Permission for non-discretionary accounts will be obtained before placing the client's assets with another money manager.

MCP will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

This process continues on an ongoing basis, throughout the time the client works with the third party manager. It is important to note that these managers will charge a separate and

additional fee, for their services. MCP will consider these fees in its decision to recommend the use of a third party manager.

### Risks of Investing

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Risks Associated With Taxation:** MCP is not an accounting or legal firm, and cannot give tax advice. Each individual client's tax situation may be unique to that client. Accordingly, clients should regularly consult with their legal and tax professionals regarding the tax impact of investing as well as the tax complications of the asset management decisions made by MCP.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that MCP may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. MCP endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Restriction Risk:** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value

will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.

- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

- **Short Sales.** "Short sales" are a way to implement a trade in a security MCP feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. MCP utilizes short sales only when the client's risk tolerances permit.

- **Information Risk:** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Small Companies:** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Risks specific to sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ. Clients should *carefully* review the risks associated with each manager as such risks are disclosed in that firm's Form ADV and/or offering documents for the private placement, both of which are

available from MCP.

- **Transition risk.** As assets are transitioned from a client's prior advisers to MCP there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by MCP. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of MCP may adversely affect the client's account values, as MCP's recommendations may not be able to be fully implemented.

- **Options:** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by MCP is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct MCP, in writing, not to employ any or all such strategies for his/her/their/its accounts. Clients participating in investing with options should *carefully* consider all information regarding the strategy and its risks prior to participating.

- **REITs.** MCP may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

- **MLPs.** MCP may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are

the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask MCP any questions regarding the role of MLPs in their portfolio.

- **International Investing.** Investing outside of the United States, especially in emerging markets, can have special or enhanced risks. The most obvious are political risk (changes in local politics can have a vast impact on the markets in that country as well as regulations affecting given issuers) and currency risk (changes in exchange rates between the dollar and the local denominations can materially affect the value of the security even if the underlying fundamentals and market price are stagnant). There are other risks, including enhanced liquidity risk, meaning that while domestic equities and mutual funds are generally easily liquidated (though there may be a risk of loss due to the timing of the sale), equities in other jurisdictions may be subject to the circumstances of lower overall market volume and fewer companies on an emerging exchange. In addition, there may be less information and less transparency in a foreign market or from a foreign company. Foreign markets impose different rules than domestic markets, which may not be to an investor's advantage. Also, companies in foreign jurisdictions are generally able to avail themselves of local laws and venues, meaning that legal remedies for U.S. investors may not be as easily obtained as in the U.S.

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

Neither MCP nor any of its employees has any disciplinary information to report.

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

##### **A. Broker-dealer**

Neither the principals of MCP, nor any related persons are registered, or have an application pending to register, as a broker-dealer or as an associated person of a broker-dealer.

##### **B. Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of MCP, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

##### **C. Relationship with Related Persons**

MCP does not have any material relationships to this advisory business that would present a possible conflict of interest. However, in the interests of disclosure, is a relationship of which MCP wishes to make clients aware:

*Private Investments:* In some circumstances members of MPC may have personal real estate investments in opportunities where clients of MCP are also invested. This presents a conflict where members of MCP have an opportunity to personally gain from the investment efforts of the client, which may incentivize MPC members to render investment advice to such client on the basis of what they would believe would likely improve their personal investment performance rather than that of the client in question. Participation in an investment opportunity is only presented to a client if MCP feels it is suitable. Ultimately, it is at the sole discretion of the client to participate in the investment or not. The conflict is mitigated by disclosing it to the client in question, by reiterating to all employees of MCP the fiduciary obligations of each employee, and through the monitoring of private investments as discussed in the Firm's Code of Ethics.

D. Recommendations of other Advisers

See Item 8 regarding Third Party Managers.

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

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. MCP does not recommend to clients that they invest in any security in which MCP or any principal thereof has any financial interest. .

C. On occasion, an employee of MCP may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of MCP may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.



## **Item 12: Brokerage Practices**

### **A. Recommendation of Broker-Dealer**

MCP does not maintain custody of client assets, though MCP may be deemed to have custody if a client grants MCP authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. MCP recommends that investment accounts be held in custody by Schwab which is a qualified custodian. MCP is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when MCP instructs them to, which MCP does in accordance with its agreement with you. While MCP recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. MCP does not open the account for you, although MCP may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

#### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to MCP as part of our evaluation of these broker-dealers.

#### **Your brokerage and custody costs”**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. MCP places trades for its clients’ accounts subject to its duty to seek best execution and its other fiduciary duties. MCP may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that MCP is more likely to place trades through Schwab rather than other broker-dealers. Schwab’s execution quality may be different than other broker-dealers. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like MCP. They provide MCP and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help MCP manage or administer our clients' accounts, while others help MCP manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to MCP. Following is a more detailed description of Schwab's support services:

Services that benefit you

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our interest in Schwab's services

Some of the products, services and other benefits provided by Schwab benefit MCP and may not benefit MCP's client accounts. MCP's recommendation or requirement that a client place assets in Schwab's custody may be based in part on benefits Schwab provides to MCP, or MCP's agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab. The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to MCP as part of our evaluation of these broker-dealers.

#### B. Aggregating Trades

Commission costs per client (if applicable) may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a pro rata basis, except where doing so would create an unintended adverse consequence (For example, if a pro rata division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

#### B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, ¼ of a share, or a position in the account of less than 1%.)

### **Item 13: Review of Accounts**

All accounts and corresponding financial plans will be managed and reviewed on an ongoing basis. All clients are advised that it remains their responsibility to advise MCP of any changes

in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with MCP on an annual basis. MCP may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, or client request. Clients are provided on a monthly basis with written transaction confirmation notices and regular written summary account statements directly from the custodian. MCP may also provide a written periodic report summarizing account activity and performance.

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

**A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Please see the response to Item 12 of this Part 2A with reference to certain benefits provided by the custodians.

**B. Compensation for Client Referrals to persons not supervised**

MCP has relationships with individuals and firms that may refer clients to MCP in exchange for a referral fee. If a client is introduced to MCP by either an unaffiliated or an affiliated solicitor, MCP *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from MCP's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to MCP by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of MCP's ADV Part 2 with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between MCP and the solicitor.

**Item 15: Custody**

There are two avenues through which MCP has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs MCP to make distributions out of the client's account(s). Clients will receive statements directly from Schwab, and copies of all trade confirmations directly from Schwab.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by MCP against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to MCP or Schwab.

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

Asset management services may be provided on either a "discretionary" or "non-discretionary" basis. When MCP is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and MCP.

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

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. MCP will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. MCP will not give clients advice on how to vote proxies.

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

MCP does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.