

**Item 1. Cover Page**

**Part 2A of Form ADV: *Firm Brochure***

**GEORGE MCKELVEY CO., LLC**

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March 13, 2023

This brochure provides information about the qualifications and business practices of George McKelvey Co., LLC (hereinafter “GMCo” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (732) 449-5323 or at [bcp@georgemckelveyco.com](mailto:bcp@georgemckelveyco.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.

Additional information about GMCo is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for GMCo is 2733.

**Item 2.        Summary of Material Changes**

We are required to identify material changes to this Form ADV Part 2A in Item 2.  
There are no material changes to report.

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#### **Item 4.        Advisory Business**

George McKelvey Co LLC (“GMCo”) is a fee-based SEC-registered investment adviser with its principal and only place of business located in Manasquan, New Jersey. We have been in business since 1960. Robert G. McKelvey, Robert A. Giunco, Jr., and Richard Looney are the current members of the LLC.

Discretionary assets under our firm’s management were \$901,584,724 as of December 31, 2022. Non-discretionary assets under our firm’s management were \$49,967,421 as of December 31, 2022.

#### Portfolio Management Services

GMCo is in the business of managing portfolios with individually tailored investment strategies. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. Our data-gathering process includes the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. We usually review and discuss a client’s prior investment history, as well as family composition and background.

We will manage advisory accounts primarily on a discretionary basis. For discretionary accounts, we will implement transactions without seeking prior client approval, with occasional exceptions, depending on the specific agreement with the client. For non-discretionary accounts, we will seek prior client consent for every contemplated transaction. Therefore, clients with non-discretionary accounts should understand that any delay in obtaining consent may result in different and potentially less favorable transaction terms, including higher security price and/or limited availability of the securities sought.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income, safety and liquidity), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Clients will generally have the following instruments in their investment portfolios:

- Individual equity securities
- Fixed income securities
- No-load, load-waived and load-bearing mutual funds
- Exchange Traded Funds (ETFs)
- Other security types

## Financial Planning/Consulting Services

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client.

We gather information through in-depth personal interviews. Information gathered includes a client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. Should a client choose to implement the recommendations, we suggest the client work closely with his/her attorney, accountant, insurance agent, and other professionals. Implementation of financial plan recommendations is entirely at the client's discretion.

Our financial planning/consulting recommendations are not limited to any specific product or service.

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, insurance issues or any other specific topic.

GMCo does offer consulting on 401k retirement plans to assist individuals in selecting their investments within the plan in accordance with the client's goals for retirement.

## Wrap Program

GMCo includes certain transactional costs in the client's management fee. This arrangement is referred to as a "Wrap Program". For accounts in the Wrap Program, we pay a fee to the custodian based on the clients' transaction costs. Fees in the Wrap Program include transaction costs for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than the agreed upon custodian. Expenses for the management fees of third-party managers are also not included in the Wrap Program, and to the extent utilized, the client will be responsible for such fees. Because we will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers within the wrap program is expected to be limited. To the extent a third-party manager is utilized, the fees payable to such managers will not be included in the Wrap Program. Therefore, there is no difference between how we manage wrap fee accounts and how we manage other accounts.

Because of the nature of a wrap program, wherein clients pay one fee for advisory services as well as certain transactions, the actual compensation to the firm will vary as the transaction costs charged to the program vary. This means that if transaction costs go

down, either because the account is traded less or because the cost per trade goes down, the firm's compensation for the same advisory services will increase. Likewise, if the costs increase, the firm's advisory compensation will decrease.

Also, because of the nature of a Wrap Program, where wrap fees are not tied to an account's frequency of trading and apply to generally all assets in the account, the wrap fee program client may pay more or less than if the client had compensated us outside of the Wrap Program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. Clients whose accounts will be rarely traded should carefully consider whether the Wrap Program is appropriate. We receive a portion of the wrap fee for our services.

We do not engage other portfolio managers to manage assets within the Wrap Program. To the extent a third-party manager is utilized, the fees payable to such managers will not be included in the Wrap Program. We are the sole portfolio manager in the Wrap Program, which means we receive a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to us.

We will receive no additional compensation for offering the Wrap Program.

Please see the Wrap Fee Brochure for a more complete description of the Wrap Program.

### Services in General

We tailor all of our portfolio management, financial planning, and consulting recommendations to the individual needs of each client. All such recommendations are based on information gathered through client questionnaires, telephone, electronic communications and in-person discussions.

## **Item 5. Fees and Compensation**

### Portfolio Management Services

The fees for our Portfolio Management Services are based upon a percentage of assets under management. The annual fee is stated in the investment management agreement and may be negotiable up to a maximum fee of 1.5% of assets under our management.

In some cases, portfolio management fees are calculated annually based upon the billable balance on the portfolio anniversary date including cash balances, and then divided into quarterly payments. In other cases, the fee is calculated in arrears on a quarterly basis, using the average daily balance of the portfolio over the prior quarter. For most clients, portfolio management fees are debited directly from the account on a quarterly basis in arrears. In limited circumstances, clients may pay their fees by check. On occasion, the

fee calculation may be based upon the billable balance on the last day of each calendar quarter or some other periodic basis, as mutually agreed upon.

#### Financial Planning/Consulting Services

We charge Financial Planning Services and Consulting Services, including consulting on individual 401k retirement plans, on an hourly basis with fees ranging from \$150 to \$350/hour depending upon the complexity of the case and the financial professional working on the matter.

In very limited circumstances and at the sole discretion of GMCo, administrative services can be offered at \$100/hour. Included in administrative services is legal discovery and production of historical documents.

#### Fees in General

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Our employees and their family members may be offered discounts not available to our advisory clients.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Certain legacy client agreements may be governed by fee schedules different from those listed above as documented in the executed investment management agreement.

#### Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us a written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for investment management services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or an ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total

amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. When recommending mutual funds that have multiple share classes, we 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.

Certain mutual funds charge "front-end loads" and "back-end loads" which are paid to investment intermediaries as sales commissions. As such, these sales charges are not part of a mutual fund's operating expenses and are deducted from the investment amount, thus lowering the size of the investment. Certain mutual funds also charge annual marketing or distribution fees. These 12b-1 fees are considered an operational expense and, as such, are included in a fund's expense ratio.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

Our firm generally provides advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, donor advised funds, and other business entities.

#### **Donor Advised Funds**

Donor Advised Funds ("DAF") are separately identified funds or investment accounts for the sole purpose of supporting public charitable organizations. Accounts are composed of contributions made by individual donors. Once the donor makes the contribution, the organization is deemed to have legal control over the contributed funds. The donor, or the donor's representative, retains advisory privileges with respect to the distribution of funds and the investment of assets in the account. These accounts will be managed by GMCo in accordance with the directors of the donor.

GMCo has an account minimum of \$250,000. Accounts below the minimum may be accepted by GMCo at their sole discretion.

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

Our firm employs the following types of analysis to formulate client recommendations:

Fundamental analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company



is underpriced (indication it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to potentially predict future price movement.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF 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 also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the client's portfolio.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We primarily purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and may result in less favorable tax treatment of short-term capital gains.

***Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.***

*Exchange Traded Funds (ETFs):* We have no control over the risks taken by the underlying funds that you invest in. Prices may vary significantly from the Net Asset Value due to market condition. Certain ETFs may not track underlying benchmarks as expected. ETFs are also subject to the following risks:

- an ETF's shares may trade at a market price that is above or below their net asset value
- the ETF may employ an investment strategy that utilizes high leverage ratios
- trading of an ETF's shares may be halted if:
  - the listing exchange's officials deem such action appropriate
  - the shares are de-listed from the exchange
  - the activation of market wide "circuit breakers" (which are tied to large decreases in stock prices)

*Mutual Funds:* When the client invests in open-end mutual funds (or the above-mentioned ETFs), the client indirectly bears the proportionate share of any fees and expenses payable

directly by those funds. The client will incur higher expenses, many of which may be duplicative. In addition, the overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

*REITs:* We 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:* GMCo 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 GMCo any questions regarding the role of MLPs in their portfolio.

*Equity Securities:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client’s overall portfolio. Small and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

*Fixed Income:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by the Fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

#### **Item 9. Disciplinary Information**

Neither the firm nor any of its employees or principals has any disciplinary information to report.

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

Robert McKelvey is a member of various boards, where he serves with or without additional compensation. One or more of these organizations may also be an advisory client of our firm. Mr. McKelvey may spend up to 20% of his time on these non-advisory activities. GMCo attempts to mitigate the potential conflict by disclosing it to clients.

An advisor of GMCo is a member of an investment-related family limited liability company which invests in publicly traded securities and real estate. The advisor performs securities research and serves on the investment selection committee for the LLC. GMCo attempts to mitigate this conflict of interest by not allowing clients of GMCo to be solicited or allowed to invest in this entity in addition to disclosing this conflict to clients.

#### **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

##### Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Robert Giunco, Jr., Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also

be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security ahead of a client. Employee trades in securities are placed in block trades with other clients to ensure employees do not receive any pricing advantage. If a block trade is not available for that trading day, employee trades must be conducted between 3:30 and 4:00 pm.
3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealer**

We recommend that investment accounts be held in custody by Fidelity Clearing & Custody Solutions® (“Fidelity”). Fidelity offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. Fidelity is wholly independent from GMCo. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

GMCo recommends Fidelity to its clients based on a variety of factors. In choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives. Fidelity adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. We re-evaluate the use of Fidelity at least annually to determine if they are still the best value for our clients.

Fidelity provides GMCo with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software,

books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, we will determine a reasonable allocation of investment to non-investment use and non-cash benefits will be allocated only to the investment portion of the product (and we will pay the remaining cost). GMCo receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause a conflict of interest as we may want to place more client accounts with a broker-dealer/custodian such as Fidelity, solely because of these added benefits. As such, we may have an incentive to select or recommend a broker-dealer based on interests in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. We attempt to mitigate this potential conflict by performing regular reviews of execution services and value clients receive to ensure clients are receiving the best possible value for costs paid. However, the value to all of our clients of these benefits is included in our evaluation of custodians. Products and services received will generally be used for the benefit of all clients. However, it is possible that a given client's trades will generate non-cash benefits that acquire products and/or services that are not ultimately utilized for that same client's account. Non-cash benefits provide additional value and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

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

#### Directed Brokerage

In some instances, clients choose to have GMCo render investment advice for assets held with a broker-dealer chosen by the client, and not recommended by GMCo. In such arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer. This means that the client, and not GMCo, will be in the best position to seek and secure the best value for the costs of execution. This means that the client may not pay the most cost-effective commission rates, GMCo will not be able to aggregate orders with other clients to ensure best price execution, and trades for account(s) may be placed either before or after trades placed for clients with our recommended custodian. This means that the client trades may not be placed in such a manner as to get the best timing on execution, the best commission or transaction charges, or the best price. In general, the client may not receive value for the commission dollar spent, may spend more than is necessary for execution services, and/or may have reduced gains as a result of directing brokerage.

#### Trade Aggregation

GMCo will aggregate client trades when doing so is advantageous to our clients. We will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will

be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. Any transaction costs associated with the aggregated trade will be allocated equally among all accounts involved including any firm employee accounts. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations.

Not all trades are aggregated since GMCo has a number of investment advisor representatives who function independent of one another. This means the investment advisor representative decides when trades are conducted on the client accounts for their accounts. Additionally, clients may request a transaction at various times during the trading day in the same security. In this instance GMCo takes direction from the client and will execute the trade when requested by the client. Therefore, different clients of GMCo may receive different execution prices for the same securities transaction.

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

All account reviews are conducted by a licensed GMCo professional.

While the underlying securities within accounts are continuously monitored, accounts are reviewed at least once every 90 days by the GMCo Professional. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status, bond redemptions, interest/dividends paid, security reorganizations, and cash inflows or outflows. Economic and macroeconomic specific events may also trigger reviews.

The client will receive statements and confirmations from the custodian. We may provide additional reports or reports with different reporting schedules upon client request or as agreed upon at the inception of the relationship.

We urge all of our investment management clients to carefully review and compare reports received from us to those they receive from their custodian. If our clients notice any discrepancies, they should notify us and/or the custodian as soon as possible.

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

GMCo does not receive any additional compensation from third parties for providing investment advice to its clients.

### **Item 15. Custody**

Custody is defined as any legal or actual ability by our firm to access client funds or securities. There are four avenues through which GMCo has custody of client funds:

- 1) by directly debiting its fees from client accounts pursuant to applicable agreements granting such right;
- 2) by serving as a trustee for a client's trust account;
- 3) by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs GMCo to make distributions out of the client's account(s).
- 4) 401(k) credentials

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 also receive a statement from their account custodian showing all transactions in their account, including the fee.

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

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in the investment management agreement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

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

As a matter of firm policy, our firm does not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. We do not offer clients advice on how to vote their proxies.

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

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.



**Item 1.** Cover Page – Wrap Brochure

**Part 2A of Form ADV: *Wrap Program Brochure***

**GEORGE MCKELVEY CO., LLC**

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Web: [www.georgemckelvey.com](http://www.georgemckelvey.com)

March 6, 2023

**This Wrap Program brochure provides information about the qualifications and business practices of George McKelvey Co., LLC (hereinafter “GMCo” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (732) 449-5323 or at [bcp@georgemckelveyco.com](mailto:bcp@georgemckelveyco.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.**

**Additional information about GMCo is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for GMCo is 2733.**

**Item 2:** Summary of Material Changes

We are required to identify material changes to this Form ADV Part 2A in Item 2. There are no material changes to report.

**Item 3:** Table of Contents

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

George McKelvey Co., LLC (“GMCo”) is a fee-based SEC-registered investment adviser with its principal and only place of business located in Manasquan, New Jersey. We have been in business since 1960. Robert G. McKelvey, Robert A. Giunco, Jr., and Richard Looney are the current members of the LLC.

Discretionary assets under our firm’s management were \$901,584,724 as of December 31, 2022. Non-discretionary assets under our firm’s management were \$49,967,421 as of December 31, 2022.

#### **Portfolio Management Services**

GMCo is in the business of managing portfolios with individually tailored investment strategies. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. Our data-gathering process includes the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. We usually review and discuss a client’s prior investment history, as well as family composition and background.

We will manage advisory accounts primarily on a discretionary basis. For discretionary accounts, we will implement transactions without seeking prior client approval, with occasional exceptions, depending on the specific agreement with the client. For non-discretionary accounts, we will seek prior client consent for every contemplated transaction. Therefore, clients with non-discretionary accounts should understand that any delay in obtaining consent may result in different and potentially less favorable transaction terms, including higher security price and/or higher commissions and/or limited availability of the securities sought.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Clients will generally have the following instruments in their investment portfolios:

- Individual equity securities
- Fixed income securities
- No-load, load-waived and load-bearing mutual funds
- Exchange Traded Funds (ETFs)
- Other security types

## Financial Planning/Consulting Services

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client.

We gather information through in-depth personal interviews. Information gathered includes a client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. Should a client choose to implement the recommendations, we suggest the client work closely with his/her attorney, accountant, insurance agent, and other professionals. Implementation of financial plan recommendations is entirely at the client's discretion.

Our financial planning/consulting recommendations are not limited to any specific product or service.

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic.

## Wrap Program

GMCo includes certain transactional costs in the client's management fee. This arrangement is referred to as a "Wrap Program". For accounts in the Wrap Program, we pay a fee to the custodian based on the clients' transaction costs. Fees in the Wrap Program include transaction costs for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than the agreed upon custodian. Expenses for the management fees of third-party managers are also not included in the Wrap Program, and to the extent utilized, the client will be responsible for such fees. Because we will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers within the wrap program is expected to be limited. To the extent a third-party manager is utilized, the fees payable to such managers will not be included in the Wrap Program. Therefore, there is no difference between how we manage wrap fee accounts and how we manage other accounts.

Because of the nature of a wrap program, wherein clients pay one fee for advisory services as well as certain transactions, the actual compensation to the firm will vary as the transaction costs charged to the program vary. This means that if transaction costs go down, either because the account is traded less or because the cost per trade goes down, the firm's fees for the same advisory services will increase. Likewise, if the costs increase, the firm's advisory compensation will decrease.

Also, because of the nature of a Wrap Program, where wrap fees are not tied to an account's frequency of trading and apply to generally all assets in the account, the wrap fee program client may pay more or less than if the client had compensated us outside of the Wrap Program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. Clients whose accounts will be rarely traded should carefully consider whether the Wrap Program is appropriate. Clients are not required to participate in the Wrap Program. We receive a portion of the wrap fee for our services.

We do not engage other portfolio managers to manage assets within the Wrap Program. To the extent a third-party manager is utilized, the fees payable to such managers will not be included in the Wrap Program. We are the sole portfolio manager in the Wrap Program, which means we receive a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to us.

We will receive no additional compensation for offering the Wrap Program.

#### Services in General

We tailor all of our portfolio management, financial planning, and consulting recommendations to the individual needs of each client. All such recommendations are based on information gathered through client questionnaires, telephone, electronic communications and in-person discussions.

#### **Item 5:** Account Requirement and Type of Clients

Clients participating in the program may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. GMCo has an account minimum of \$250,000. Accounts below the minimum may be accepted by GMCo at their sole discretion.

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

The wrap fee program offered by GMCo is sponsored by the firm, and GMCo is the only portfolio manager. The only fees covered under the wrap fee program are transaction fees associated with the purchase and sale of securities in an account managed by GMCo. All client accounts managed by GMCo, including wrap fee program clients, are managed with similar processes, although account recommendations may differ.

#### **Item 7:** Client Information provided to Portfolio Managers

Please see response to Item 6, above.

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

Clients may contact GMCo, the only portfolio manager, at any time.

**Item 9:** Additional Information

Disciplinary Information

Neither the firm nor any of its employees or principals has any disciplinary information to report.

Other Financial Industry Activities and Affiliations

A. Broker Dealer

Not Applicable

B. Futures Commission Merchant/Commodity Trading Advisor

Not Applicable

C. Relationship with Related Persons

Not Applicable

D. Recommendation of Other Advisors

Not Applicable

Code of Ethics, Participation 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. GMCo does not recommend to clients that they invest in any security in which GMCo or any principal thereof has any financial interest.

C. On occasion, an employee of GMCo 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. 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 GMCo 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. 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.

### Account Reviews

Reviews may be conducted by any licensed professional at GMCo.

While the underlying securities within accounts are continuously monitored, accounts are reviewed at least once every 90 days by the above-listed individuals. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status, bond redemptions, interest/dividends paid, security reorganizations, and cash inflows or outflows. Economic and macroeconomic specific events may also trigger reviews.

The client will receive statements and confirmations from the custodian. We may provide additional reports or reports with different reporting schedules upon client request or as agreed upon at the inception of the relationship.

We urge all of our investment management clients to carefully review and compare reports received from us to those they receive from their custodian. If our clients notice any discrepancies, they should notify us and/or the custodian as soon as possible.

### Client Referrals and Other Compensation

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients.

### Financial Information

GMCo 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.