SEC Form ADV - Part 2A

McLaughlin Ryder Investments, Inc.
SEC File Nos.: 801—107125

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

March 01, 2022

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

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

Additional information about McLaughlin Ryder Investments, Inc., is available on the SEC's website at: www.adviserinfo.sec.gov. To search this site use our Firm's CRD number: 147529.

Item 2 - Summary of Material Changes

The Brochure was last updated on March 1, 2021. This section will note any material changes that may have been made since the last printed Brochure. Please note the following changes that have occurred:

- McLaughlin Ryder, previously participated in the CARES Act Paycheck Protection Program, because of the economic uncertainty during the COVID-19 pandemic and national crisis. This loan permitted MRI to hire individuals affected by the pandemic as needed and to maintain staff. It was important to MRI to support small business employment during the pandemic, and there was sound economic rationale behind MRI's decision to participate in the Program. The loan the Firm received for participating with the CARES Act Paycheck Protection Program has since been completely forgiven.
- McLaughlin Ryder is no longer utilizing Burke and Herbert Bank, as a custodian.
- As of December 31, 2021, MRI had $395,511.890 of non-discretionary client assets under management (AUM) and $2,020,494 of discretionary client AUM.

Future Changes

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

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

We will further provide Clients with a new brochure or a summary of material changes, free of charge, as necessary.

Item 3 - Table of Contents

Item 4 - Advisory Business

Firm Information

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

With the exception of our advisory services for ERISA plans and ERISA plan participants, all of our investment advisory business is processed through our broker-dealer division. Investment advisory business of MRI is not processed through any other broker-dealer. All clients who wish to enroll in a wrap fee program with MRI are required to establish a brokerage account for this purpose. The wrap fee programs offered by MRI are a combination of proprietary programs and also programs offered through MRI's clearing firm, Pershing LLC ("Pershing"). Some programs may include the services of an outside third-party investment manager.

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

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

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

As a general matter, broker-dealers and investment advisers have different types of relationships with investors, offer different services, and have different compensation models when providing investment recommendations or investment advisory services to customers. Broker-dealers typically provide transaction-specific recommendations and receive compensation on a transaction-by-transaction basis (such as commissions) ("transaction-based" compensation or model). A broker-dealer's recommendation may include recommending transactions where the broker-dealer is buying securities from or selling securities to retail customers on a principal basis, or recommending proprietary products, although it is noteworthy that McLaughlin Ryder carries no proprietary products.

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

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

Fiduciary Duty and Regulation Best Interest

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

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

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

The duty to provide advice that is in the best interest of the client, includes a duty to provide advice that is suitable for the client, based on a reasonable understanding of the client's financial and investment profile and objectives.
At all times, the adviser must have a reasonable belief that the advice they are providing is in the best interest of the client. The investment adviser has the responsibility to seek best execution of a client's transaction when selecting broker-dealers to execute client trades; without placing its own interest ahead of its client's interest. The adviser also has the duty to provide advice and account monitoring over the course of the relationship.

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

McLaughlin Ryder's fiduciary commitment is further described in the Firm's Code of Ethics; for more information, please see Item 11 – Code of Ethics, *Participation or Interest in Client Transactions and Personal Trading*.

Types of Advisory Services Offered

Investment Management Services
McLaughlin Ryder collaborates closely with each Client to identify their investment goals and objectives, as well as risk tolerance and financial situation, in order to create a portfolio strategy. McLaughlin Ryder will then construct a portfolio, consisting of primarily active and passive mutual funds, exchange-traded funds ("ETFs"), individual equity securities, individual fixed income securities and other types of investments, as appropriate, to meet the needs of each Client. Evaluation of legacy investments will include a review of portfolio fit, tax situation and other considerations. The Firm may retain certain legacy investments based on portfolio fit and/or tax considerations.

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

Financial Planning and/or Portfolio Management
Financial Planning Services are at the core of the Client's relationship with McLaughlin Ryder. Financial planning is an 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 while also understanding personal values, goals, and objectives. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the Client.

McLaughlin Ryder will provide financial planning and consulting services to Clients, as outlined in the Financial Planning Agreement. Services are offered in several areas depending on the Client's goals and objectives. Generally, such financial planning services will involve a written report, which provides the Client with a detailed financial plan to assist the Client in achieving his or her financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to: financial position, risk tolerances, capital appreciation objectives, income and liquidity requirements, tax considerations, employee benefits, investment analysis, insurance analysis, retirement analysis, death and disability considerations, investment horizon, and estate planning.

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

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

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

McLaughlin Ryder serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Firm upholds a duty of loyalty, fairness, and good faith towards each Client, and seeks to mitigate potential conflicts

of interest. MRI's fiduciary commitment is further described in the Firm's Code of Ethics; for more information, please see Item 11 – Code of Ethics, *Participation or Interest in Client Transactions and Personal Trading*.

Financial planning and consulting recommendations pose a conflict between the interests of McLaughlin Ryder and the interests of the Client. For example, the Firm has an incentive to recommend that Clients engage the Firm for investment management services, or to increase the level of investment assets with the Firm, as it would increase the amount of advisory fees paid to the Firm. Implementation of financial planning recommendations is entirely at the Client's discretion. If the Client elects to act on any of the recommendations made by the Firm, the Client is under no obligation to implement the transaction through the Firm. McLaughlin Ryder will collaborate with the Client, to implement recommendations and referrals to other professionals, where appropriate, to meet the Client's needs.

Retirement Plan Advisory Services

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

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

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

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

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

- Vendor Analysis;
- Plan Participant Enrollment and Education;
- Investment Management Services;
- Investment Oversight Services; and,
- Performance Reporting.

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

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

Wrap Fee Programs

MRI offers several different wrap fee programs, some internal and others through Pershing. A wrap fee program is an investment account where clients are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses. While wrap fee programs may be called different names—such as asset allocation program, asset management program, investment management program, or separately managed account—the defining feature is that a wrap fee program offers bundled investment management and brokerage services for one fee. Our financial planning services practices are provided to our clients on an hourly, monthly, quarterly, annual, or flat fee basis for the services we provide. This is different than the wrap fee programs that we provide, in which the client is not charged a quarterly fee for the ongoing monitoring and management of their investment advisory account. Please refer to our Wrap Fee Brochure for additional information regarding the different wrap fee programs that MRI has to offer.

Wrap fee programs can be either **Discretionary or Non-Discretionary**. A Discretionary investment advisory account is an account where buy and sell decisions are made by a portfolio manager, or the Financial Professional for the client's account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager or Financial Professional's discretion. A Non-Discretionary investment advisory account is an account where buy and sell decisions are made by the client. This means that the client must direct all transactions to be completed on an account.

The Financial Professional or portfolio manager does not have the ability to complete transactions without first getting permission from the client.

We offer a number of wrap fee advisory programs that are designed to help clients meet their investment objectives and goals. They include Third-Party Management Programs, Financial Professional Directed Programs, and Non-Discretionary Client Directed Advisory Programs, as well as Discretionary Advisory Programs, which are described in the Wrap Fee brochure. Please refer to our Wrap Fee Brochure for additional information regarding the different wrap fee programs that MRI has to offer.

How Services are Tailored to Fit Client Needs
MRI's investment policy process is centered on the client. We collaborate with our clients to understand their financial circumstances and goals. Throughout this process, our Financial Professionals work with the client to create a specific plan tailored to their needs and goals. Specifically, our Financial Professionals focus on translating client goals into a set of investment objectives. These objectives involve risk tolerance from both a willingness and ability to accept financial risk, as well as return objectives.

Once determined, these investment objectives provide a framework for MRI to discuss with the client, the processes we will utilize for monitoring, reviewing, and rebalancing their account. The Financial Professional will collaborate with the client to determine:

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

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

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

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

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

Management of Client Assets
MRI investment advisory accounts are managed on either a discretionary or non-discretionary basis, determined at the time the account is opened, based on our client's written authorization, or in the case of ERISA Plan Clients, at the time the Advisory Agreement is executed. As of December 31, 2021, MRI had the following client assets under management (AUM):

- $395,511,890 non-discretionary assets under management
- $2,020,494 discretionary assets under management

Item 5 - Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Firm. Each Client engaging the Firm, for services described herein, shall be required to enter into one or more written agreement(s) with the Firm. Also, no matter what structure of compensation a firm receives for managing customer's assets, conflicts of interest are inevitable. MRI attempts to avoid, mitigate, or eliminate these conflicts whenever possible,

and, if not feasible, we disclose these conflicts to our customers. The primary means we have of disclosing these conflicts of interest to our customers is through this brochure, which is updated not less than annually.

Fees for Advisory Services

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

Fees are based on several factors including the scope and complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Firm. All wrap fee programs, and their various fees are stipulated separately in our Wrap Fee Brochure. Some of our wrap fees are negotiable. Our Wrap Fee Brochure details the various fees associated with each program, and whether the fees are negotiable or not for each specific program. For additional information regarding fees and compensation for the different wrap fee programs that MRI offers, please refer to our Wrap Fee Brochure.

Clients should be aware that if they elect to have a margin debit balance on their account, it will not reduce the market value of the eligible assets. The use of margin is not suitable for all investors, since it increases leverage in the client's account; therefore, it is a risk. Please review the Margin Disclosure Statement, and General Account Agreement & Disclosure Document from Pershing, for more details on risks of margin use.

Fee Billing – Investment Management Services (Wrap Programs)
Investment advisory fees are calculated by the Firm or its delegate, and deducted from the Client's account[s] at the Custodian. The Firm shall send the equivalent of an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s], following the end of each calendar quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with McLaughlin Ryder at the end each quarter, payable in advance. The advisory fees may be householded for billing purposes.

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

Advance Payment of Fees and Termination - Investment Management Services
McLaughlin Ryder is compensated for its services at the beginning of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the advisory services agreement, at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the Client. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, McLaughlin Ryder will pro rate the reimbursement according to the number of days remaining in the billing cycle.

Financial Planning Services
McLaughlin Ryder may include financial planning services as part of the overall investment advisory fee, or it may be offered separately. Project-based engagements may be offered at an hourly rate, ranging from $150 to $350 per hour, based on the experience of the Financial Professional rendering services and/or the complexity of the services provided. Fixed fee projects are based on the expected duration to complete the engagement deliverable[s] at the Financial Professional's hourly rate. Our Financial Planning fees are calculated on a fixed fee basis, typically ranging from $500 to $2,500, based on the nature and complexity of the services to be provided. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Financial Professional.

An estimate for total hours and/or costs will be provided prior to engaging for these services. Financial planning fees are invoiced to the client, based on the amount pre-determined on the MRI Fee Schedule. Invoicing for fees can be calculated on an hourly, monthly, quarterly, annually, or flat fee rate. The fee can be invoiced directly to the client at the time the services are rendered.

Fee Billing – Financial Planning
Hourly engagement planning fees are paid in arrears. Project-based financial planning fees may include an initial payment up front and any fees due will be invoiced by the Firm, upon completion of the agreed upon deliverable[s]. Ongoing retainer engagements are billed quarterly, in advance.

Advance Payment of Fees and Termination - Financial Planning Services
McLaughlin Ryder is compensated for its services based on the type of planning engagement entered into by the Client. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the financial planning agreement, at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the Client. Upon termination, Clients engaging in hourly planning services and Project Based planning services, shall be billed for the percentage of the engagement scope completed by the Firm. Project Based and Ongoing planning Clients shall be promptly reimbursed for any unearned, prepaid fees.

Financial Planning Fee Offset
McLaughlin Ryder reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee, if a financial planning client chooses to engage MRI for their investment advisory Portfolio Management Services.

Compensation for Purchases and/or Sales of Securities
McLaughlin Ryder is a dually registered investment adviser and broker-dealer; and, as such, buys and/or sells securities and receives compensation for securities transactions ***in financial planning-only client accounts*** (not advisory wrap program clients or advisory retirement clients), in addition to the financial planning fees noted above.

Certain Advisory Persons are also licensed as a broker-dealer and registered representatives with McLaughlin Ryder. As a registered representative, he/she will earn commission-based compensation for purchasing or selling securities through our broker-dealer ***on financial planning-only client accounts*** (not advisory wrap program clients or advisory retirement account clients), which are held with the broker-dealer. Brokerage transaction commissions earned by a dually registered investment adviser/registered representative, are separate and in addition, to McLaughlin Ryder's financial planning fees. This practice presents a conflict of interest, because a person providing investment advice during the financial planning process has an incentive to recommend securities transactions to Clients, for the purpose of generating commissions rather than solely based on Client needs. However, this conflict is mitigated because clients are under no obligation, contractually or otherwise, to purchase securities through any person affiliated with the Firm. Please see Item 10 – *Other Financial Industry Activities and Affiliations*.

Retirement Plan Advisory Services

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

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

MRI is a fiduciary under ERISA, with respect to the investment advisory services, described in the Advisory Agreement between MRI and the ERISA Plan Client. As such, MRI is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, MRI may only charge fees for investment advice about products for which MRI and/or its affiliates do not receive any commission, 12b-1 fees, or other compensation.

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

Fee Billing - Retirement Plan Advisory Services
Fees may be directly invoiced to the Plan Sponsor or deducted from the account of each Plan Participant, depending on the terms of the retirement plan advisory agreement, typically in advance; however, this may vary by Plan Sponsor.

Advance Payment of Fees and Termination - Retirement Plan Advisory Services
McLaughlin Ryder is compensated for its retirement plan advisory services, in advance of the quarter in which services are rendered or in arrears at the end of the quarter, as agreed upon in the investment advisory agreement. Either party may request to terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for advisory fees up to and including the effective date of termination. Upon termination, McLaughlin Ryder will promptly refund any unearned, prepaid fees to the Client.

Other Fees and Expenses
In addition to MRI's Financial Planning fees, clients will also incur standard commission charges for any transactions that they complete for any type of security purchased and sold. Financial planning services are for accounts held in a standard brokerage account with MRI, as the broker dealer of record. Some clients require only financial planning services from MRI and do not complete transactions at MRI. Instead, they take the information that has been represented, and complete transactions of their own, at another vendor/firm. It is important to know that any costs associated with transactions that a client completes at another vendor/firm, are in addition to any financial planning fees they have paid to MRI. In addition, if they hold mutual funds in their brokerage account, they will incur normal expenses imposed by the mutual funds held in the account (expense ratios are listed in each fund's prospectus). Some mutual funds impose fees if they are sold prior to their short-term holding periods. Short-term trading fees are detailed in each mutual fund's prospectus. If financial planning clients enter into an advisory agreement with their Financial Professional, they will not pay brokerage commissions on transactions effected for their advisory account(s), and will instead, pay the appropriate MRI advisory fee (in addition to third-party clearing and/or vendor (mutual fund) normal expenses/fees).

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

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

The additional compensation associated with12b-1 fees presents, a conflict between the interests of clients on the one hand, and those of MRI on the other. If MRI were to retain the additional compensation (which they are not), it would provide the Firm with an; in exercising discretion or making recommendations for a client's account, to choose or recommend investments that result in higher compensation to the Firm. In these circumstances, it is the Firm's duty to determine that an investment made in an account or recommended to a client is in the client's best interest, based upon the information that has been provided to the Firm.

Third-party Custodian / Pershing Information
Clients may also incur brokerage and/or other transaction costs from the custodian. These costs include, but are not limited to: handling fees, wire transaction fees, and check writing expenses. For more information regarding the costs that are charged to a client from Pershing, please refer to the new account opening disclosure documents sent to the client directly from Pershing. As financial planning services are performed for brokerage accounts, clients are subject to additional 12b-1 fees, commissions and mark-ups for the transactions completed in these types of accounts. MRI has a revenue sharing agreement on file with Pershing, regarding fees collected from margin interest, Pershing's NTF mutual fund platform, cash balances/sweep accounts, handling, and other miscellaneous fees.

This arrangement gives rise to a conflict of interest; MRI has an incentive to steer client assets to the Pershing money market sweep funds that generate such revenue, rather than to products or custodians that do not generate such revenue. Clients should understand that the receipt of these distribution fees will result in higher compensation to MRI. It will also cause clients investing in these money market funds to incur higher ongoing costs and lower performance compared to other lower-cost cash sweep products, which are made available by Pershing or by other custodians.

Notwithstanding this conflict, MRI does not believe that this arrangement interferes with its provision of advice to clients, because of its practices and controls. The Firm periodically reviews the fees it has negotiated with Pershing against the services it receives. Also, MRI periodically samples client accounts to ensure investment activity, including any uninvested cash balances or allocation to cash, and it is consistent with their stated needs, objectives, and financial situation.

MRI's NTF revenue-sharing agreement with Pershing, and the existence of various fund share classes with lower internal expenses, that MRI may not make available for purchase in its managed accounts, present a conflict of interest between clients and MRI or its Financial Professionals. A conflict of interest exists because MRI and the client's Financial Professional have a greater incentive to make available, recommend, or make investment decisions regarding investments that provide additional compensation to MRI that cost clients more than other available share classes in the same fund that cost less. For those funds where Pershing assesses transaction charges to MRI, a conflict of interest exists, because MRI has a financial incentive to recommend or select NTF funds that do not assess transaction charges; they cost more in internal expenses than funds that do assess transaction charges but cost less in internal expenses.

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

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

Item 6 - Performance-Based Fees and Side-By-Side Management

McLaughlin Ryder does not charge performance-based fees for our investment advisory programs. MRI does not have any side-by-side management arrangements.

Item 7 – Account Requirements and Types of Clients

MRI does not have specific account requirements for clients that are looking for financial planning or ERISA services, although MRI's wrap fee programs do have specific requirements. For additional information regarding the account requirements for our wrap fee programs, please refer to our Wrap Fee Program Brochure.

MRI provides investment advice to individuals, high-net worth individuals, families, trusts, estates, charitable organizations, and businesses. MRI also provides investment advice to retirement plans subject to ERISA including defined benefit plans, participant-directed defined contribution plans, such as 401(k) plans and plan participants.

Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss

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

To analyze specific investment opportunities, MRI uses several methods of research. They subscribe to a number of professional investment resources and also use other sources of information including newspapers, magazines, fund company information, third-party research, annual reports, and prospectuses. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns. The methods of analysis, tools, and strategies utilized by McLaughlin Ryder may include any of the following:

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.

Fundamental Analysis
Involves evaluating a security using real data, such as company revenues, earnings, return on equity, and profit margins, to determine underlying value and potential growth. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. 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, to recognize recurring patterns of investor behavior, and potentially predict future price movement. 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.

Quantitative Analysis
We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of share price or earnings per share and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis
We subjectively evaluate non-quantifiable factors, such as quality of management, labor relations, and strength of research and development factors, not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Modern Portfolio Theory ("MPT")
Assumes investors are risk averse, which means when given two assets with the same expected return, the investor will choose the less risky one. An investor is only willing to take more risk if the expected return is greater. Therefore, MPT aims to construct a portfolio of investments that has the best possible expected return for the level of risk.

Asset Allocation
Is an investment strategy used to balance risk and return according to a client's investment objective, risk tolerance and investment horizon. It is used to manage portfolio volatility by investment in different asset classes. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash, will change over time due to stock and market movements; and, if not corrected, will no longer be appropriate for the client's goals.

Diversification
Is a risk management strategy used to reduce the volatility of a portfolio by investing in different asset classes, different market sectors, and/or different companies.

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 fund(s), 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 holding(s) less suitable for the client's portfolio.

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

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

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. McLaughlin Ryder will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. While the methods of analysis help the Financial Professional in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis, may lose value, and may have negative investment performance.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk, and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Financial Professional shall rely on the financial and other information provided by the Client or their

designees, without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Financial Professional of any changes in financial condition, goals, or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Financial Professional will collaborate with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Financial Professional's investment approach:

Market Risks
The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

ETF Risks
The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day, may have a different price than the same ETF purchased or sold a short time later.

Bond ETFs
Bond ETFs are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond; (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned;(3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment; thereby, decreasing the investor's rate of return; (4) credit default risk, i.e. the risk associated with purchasing a debt instrument, which includes the possibility of the company defaulting on its repayment obligation; (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating, which impacts the investor's confidence in the company's ability to repay its debt; and, (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly, as there is no readily available market for the bond.

Mutual Fund Risks
The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily. Therefore, a mutual fund purchased at one point in the day, will typically have the same price as a mutual fund purchased later that same day.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with their Financial Professional.

Item 9 - Disciplinary Information

There are no legal, regulatory, or disciplinary events involving McLaughlin Ryder or any of its Supervised Persons. McLaughlin Ryder values the trust Clients place in its Firm. MRI encourages Clients to perform the requisite due diligence on any Financial Professional or service provider the Client engages. The background of the Firm's Financial Professionals and our Firm, is available on the Investment Adviser Public Disclosure website at: www.adviserinfo.sec.gov or https://brokercheck.finra.org/ by searching with the Financial Professional's name or, in the case of MRI, our CRD #147529.

Item 10 - Other Financial Industry Activities and Affiliations

MRI is a dually registered Firm which means that we are both an Investment Adviser, as well as a Broker-Dealer. All of our Financial Professionals and several support staff are registered representatives of MRI's broker-dealer business.

None of MRI Financial Professionals, or employees are registered, associated with, or have an application pending to register, as a futures commission merchant, commodity pool operator, or a commodity trading adviser.

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

clients who are required to open brokerage accounts with MRI, are not charged commissions or brokerage-related transaction charged by MRI.

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

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

For additional information, the Fund Prospectus and Statement of Additional Information is available on-line at: www.morningstar.com using the ticker symbol USPVX. Prospective investors should review these documents carefully, before making any investment in the Mutual Fund.

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

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

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

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

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

Personal Trading with Material Interest
McLaughlin Ryder allows Supervised Persons to purchase or sell the same securities that may be recommended to, and purchased on behalf of, Clients. McLaughlin Ryder does not act as principal in any transactions. In addition, the Firm does not act as the general partner of a fund or advise an investment company. McLaughlin Ryder does not have a material interest in any securities traded in Client accounts.

Personal Trading in Same Securities as Clients
McLaughlin Ryder allows Supervised Persons to purchase or sell the same securities that may be recommended to, and purchased on behalf of, Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Firm has adopted the Code to address insider trading (material non-public information

controls); gifts and entertainment; outside business activities, and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated, if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by McLaughlin Ryder, requiring reporting of personal securities trades by its Supervised Persons, for review by the Chief Compliance Officer ("CCO") or delegate. The Firm also adopted written policies and procedures to detect the misuse of material, non-public information.

Personal Trading at Same Time as Client
While McLaughlin Ryder allows Supervised Persons to purchase or sell the same securities that may be recommended to, and purchased on behalf of, Clients, such trades are typically aggregated with Client orders, or are required to be traded afterward. At no time will McLaughlin Ryder, or any Supervised Person of McLaughlin Ryder, transact in any security to the detriment of any Client.

This does not create a conflict of interest with, specifically, mutual fund transactions since all orders are traded for the same closing NAV price on the day of trade execution. All parties will receive the same execution pricing on these transactions. Employees and members of the employee's household may desire to trade in the same securities that the Firm is trading for our clients. For more information regarding how MRI minimizes or eliminates the possibility of a conflict of interest with recommendations, buys or sells of other securities (such as ETF's, equities, private placements, and IPO's), a client may request a full copy of the McLaughlin Ryder Investments, Inc., Code of Ethics.

Item 12 - Brokerage Practices

With the exception of our advisory services for ERISA plans, ERISA plan participants and financial planning clients, MRI processes all investment advisory accounts through MRI's broker-dealer division. McLaughlin Ryder clients benefit from the pricing, reporting, execution, and service that MRI is able to offer by processing transactions directly with Pershing, on the client's behalf. MRI chose Pershing as their clearing firm by considering their capital base, reputation, execution quality, market pricing, reporting capabilities, research, and additional services that they offer.

Research and Other Soft Dollar Benefits. Soft dollars are revenue programs offered by broker-dealers/custodians, whereby an adviser enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. MRI does not pay for any products, research, service, or have any other soft dollar benefit arrangements with any source. MRI also does not direct any type of commissions to any broker-dealer in return for products, research, service, or other soft dollar benefit.

Brokerage Referrals. MRI does not receive any compensation from any third-party in connection with the recommendation for establishing an account.

Directed Brokerage. MRI does not permit clients to direct brokerage services through a specific broker-dealer. MRI serves as the broker-dealer for all investment advisory account transactions, and Pershing (or in limited instances Burke and Herbert Bank) serves as the custodian for all securities and cash held in client accounts.

Aggregating for Allocating Trades. The primary objective in placing orders for the purchase and sale of securities for Client accounts, is to obtain the most favorable net results taking into account such factors as: 1) price; 2) size of the order; 3) difficulty of execution; 4) confidentiality; and, 5) skill required of the Custodian.

McLaughlin Ryder may aggregate orders in a block trade, or trades when securities are purchased or sold through the same Custodian, for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full, at the same price or time, the securities actually purchased or sold by the close of each business day, must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

Mutual funds buy and sell orders execute at the end of each trading day, receiving the closing NAV price of the funds. Therefore, all mutual funds buy and sell orders placed on a particular day, automatically receive the same price, without the need for aggregation of accounts. Currently, MRI does not aggregate transactions.

Item 13 - Review of Accounts

MRI accounts are monitored on a periodic basis by Advisory Persons of McLaughlin Ryder, and periodically by the CCO. Formal reviews are generally conducted at least annually, or more or less frequently, depending on the needs of the Client.

The Financial Professionals are in charge of reviewing the current investment strategy, such as the client's asset allocation and the account's performance, making revisions as needed, based on a client's changing circumstances and/or the current economic environment.

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

1. The first trigger is client specific. It is normally a liquidity event where the client is either requesting funds or depositing funds. In either case, an account review is performed in order to determine the best way to execute the client's wishes.

2. The second type of trigger is a function of the overall economy. As the outlook for various asset classes changes, it triggers account reviews.

3. The third type of trigger is a function of a particular security in an account. As security specific issues arise, they cause account reviews for the affected accounts.

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

Any account performance reports provided by MRI, does not replace the account statements issued by Pershing. Pershing issues client statements no less than quarterly, to all investment advisory clients on their books. The client may also establish electronic access to the Custodian's website, so that they may view these reports and their account activity. Client brokerage statements will include all positions, transactions, and fees relating to their account[s].

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

Item 14 - Client Referrals and Other Compensation

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

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

Item 15 - Custody

All Clients must place their assets with a "qualified custodian." Clients are required to engage the Custodian, to retain their funds and securities and direct McLaughlin Ryder to utilize that Custodian for the Client's security transactions. McLaughlin Ryder does not accept or maintain custody of any Client accounts.

Clients should review statements provided by the Custodian, and compare the same to any reports provided by McLaughlin Ryder, to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 - *Brokerage Practices*.

MRI does not have custody of ERISA plan assets. McLaughlin Ryder does not have actual or constructive custody of client account assets.

Pershing, as advisory custodian for all accounts except ERISA, issues client statements no less than quarterly, to all managed program accounts. Clients should carefully review these statements. We urge clients to compare any reports received from MRI with the statements that are received from the Pershing.

Item 16 - Investment Discretion

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

MRI has discretionary investment authority over some of the accounts we manage. Prior to assuming discretionary authority for clients who would like to grant discretionary authority to MRI, are given a discretionary account agreement and a copy of MRI's current ADV Part II Disclosure Brochure. If discretionary authority is to be given to Pershing for one of Pershing's managed products, clients are given a discretionary account agreement, a copy of MRI's current ADV Part II Disclosure Brochure, and a copy of Pershing's disclosure brochure for the Pershing managed program, if applicable. By signing the MRI discretionary account agreement, or one of the Pershing discretionary account agreements, clients grant MRI and/or Pershing discretionary investment authority over their account. Detailed information regarding wrap fee programs, which provide discretionary authority, is available in MRI's Wrap Fee Brochure document.

Typically, there are not any explicit limitations on the discretion authority that MRI and/or Pershing has to manage an account. However, each client's managed account agreement, lays out how an account will be managed. In the managed account agreement, there are sections for specifically detailing any constraints that a client or account has. These types of constraints are handled on a case-by-case basis. Clients should refer to the Pershing disclosure brochure and managed program agreement, for any explicit limitations on the discretion authority that Pershing has, to manage an account.

Item 17 - Voting Client Securities

MRI does not have responsibility for voting (or recommending how to vote) proxies for ERISA plan investments. For clients that are not ERISA Plan Clients, MRI does not vote proxy statements for any investment advisory account. Proxy statement information is forwarded directly from Pershing and/or the transfer agent, to the client's address of record for the account. At any time, Clients may contact their Financial Professional that handles their account, to ask questions regarding a proxy solicitation they have received.

Item 18 - Financial Information

Registered Investment Advisers are required to provide clients with certain financial information or disclosures about our financial condition. MRI has no financial commitment that impairs its ability to meet contractual commitments to our clients, and has not been the subject of any bankruptcy proceedings. McLaughlin Ryder is not required to deliver a balance sheet along with this Disclosure Brochure, as the Adviser does not collect fees of $1,200 or more, for services to be performed six months or more in advance.