



## **MRA Advisory Group**

—— Paving The Road To Your Financial Independence ——  
Financial Planning | Wealth Management | Taxes | Insurance

**Morris Retirement Advisors, LLC  
d/b/a MRA Advisory Group  
3799 US Highway 46  
Ste. 100  
Parsippany, NJ 07054-1060**

[www.mraadvisory.com](http://www.mraadvisory.com)

**Firm Disclosure Brochure  
August, 2018**

**This wrap fee program brochure provides information about the qualifications and business practices of the MRA Advisory Group. If you have any questions about the contents of this brochure, please contact us at 973.917.3905 and/or [support@mraadvisory.com](mailto:support@mraadvisory.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 Morris Retirement Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Material Changes

**Item 4 has been revised as follows:**

### **August 2018:**

1. Marco Lima became the sole member, owner and Chief Executive Officer of Morris Retirement Advisors on July 17, 2018.
2. Morris Retirement Advisors realigned and rebranded its service offering and is now doing business as MRA Advisory Group. References to Morris Retirement Advisors have been updated accordingly.
3. The advisory agreement between MRA and MRA Capital Partners (“The Fund”) was terminated on July 19, 2018. Accordingly, all references to the Fund have been removed.

### **March 2018:**

1. A new, free level of service called Wealthbuilder Dashboard has been added;
2. MRA now serves as the management company to MRA Capital Partners, LP, a Delaware limited partnership; and
3. Item 5, Fees and Compensation was corrected to state that the fee for the MRA Wealth Management Program will be calculated based upon the client’s account balance as of the end of the prior calendar month and not the average asset value for the prior calendar month.

## Item 3 Table of Contents

Item 2 Material Changes	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation	6
Item 6 Performance-Based Fees and Side-By-Side Management	7
Item 7 Types of Clients	7
Item 9 Disciplinary Information	11
Item 10 Other Financial Industry Activities and Affiliations	11
Item 12 Brokerage Practices	12
Item 13 Review of Accounts	15
Item 14 Client Referrals and Other Compensation	16
Item 15 Custody	16
Item 16 Investment Discretion	17
Item 17 Voting Client Securities	17
Item 18 Financial Information	17

## Item 4 Advisory Business

### **MRA ADVISORY GROUP**

---

MRA Advisory Group (“MRA”) was organized in 2017 as Morris Retirement Advisors, LLC, a Delaware limited liability company, to provide wealth management and financial planning services to clients. MRA specializes in Comprehensive Financial Planning, fee-based Wealth Management, Risk-based investing, Tax Planning, Tax Preparation, Retirement Planning, Retirement Income Strategies, Insurance Planning and Implementation: life, health, disability and long-term care. These services provided are based on the unique needs of each client.

MRA offers the following planning and tax advice service options to clients:

**1. MRA Personal Planning:**

- a. WealthBuilder Dashboard (Free Service):
  - i. A self-guided digital portal available through [www.mraadvisory.com](http://www.mraadvisory.com). The portal offers users the ability to organize and track their cash flow, investments, debt, and financial goals.
  - ii. The portal provides access to educational events.
  - iii. This service does not include the MRA Wealth Management Program or ongoing support by the firm’s staff.
  
- b. WealthBuilder Planning Plus (from \$69/month\*):
  - i. All features available in WealthBuilder Dashboard, and
  - ii. A dedicated Account Manager.
  - iii. Typically two service meetings per year.
  - iv. Financial guidance on assets held or managed away from MRA.
  - v. Life, disability and extended care insurance planning and solutions.
  - vi. This service does not include the MRA Wealth Management.
  
- c. WealthBuilder Planning Consolidator (from \$99/month\*):
  - i. All features available in WealthBuilder Plus, and
  - ii. A Dedicated Private Wealth Advisor
  - iii. Typically three Service Meetings per year.
  - iv. This service does not include the MRA Wealth Management Program.
  
- d. WealthBuilder Planning Protector (from \$129/month\*):
  - i. All features available in WealthBuilder Consolidators, and
  - ii. Customized number of Service Meetings per year.
  - iii. This service does not include the MRA Wealth Management Program.

*\* For MRA Wealth Management Program household accounts of \$1 million plus, MRA will waive the subscription service fee for the following planning services: Plus, Consolidator, Protector and Business Owners.*

## **2. MRA Wealth Management:**

As described in Item 8, and in the MRA Wrap Fee Brochure, MRA offers a discretionary asset management program, the MRA Wealth Management Program that combines management and transaction expenses into a single fee. The MRA Wealth Management Program includes personalized professional investment management tailored to each of its clients' needs. With a minimum of \$2,000 to open an account, clients are able to choose to invest using *WealthBuilder Investing*, which offers a set of risk-based investment portfolios designed to align with our clients' risk tolerance and long-term investment objectives. For clients with investable assets of \$250,000 or higher, MRA will offer additional portfolio customization that includes individual stocks, bonds, alternatives and/or private equity. MRA does not charge trading commissions for investment accounts. The firm charges an annual investment advisory fee ranging from 0.40% to 1.50% based on service model selection, portfolio complexity and assets under management.

Clients in the MRA Wealth Management Program may authorize MRA to automatically rebalance their investments on a quarterly basis. For these clients MRA will make appropriate adjustments by buying and selling portfolio securities if the client's asset allocation deviates by 10% or more from the desired model. MRA will also periodically revise the model portfolios and make corresponding adjustments to client portfolios.

## **3. MRA Business Services: (pricing negotiated based on specific needs\*).**

- i. Complimentary Tax Assessment
- ii. Dedicated Private Wealth Advisor and CPA
- iii. Up to Four Service Meetings per year
- iv. Executive Benefits Planning
- v. Key Person Retention Strategies
- vi. Quarterly Tax Filings
- vii. Virtual Board of Directors: strategic planning
- viii. Employee Benefits
- ix. Succession Planning
- x. Entity Formation and Use Evaluation
- xi. Estate and Legacy Planning

## **4. MRA Insurance Solutions (clients pay agency commissions for insurance solutions)**

MRA works with its clients to help protect them in the areas of insurance using a comprehensive due diligence process to address one of the foundations of a solid financial plan. The process includes:

- a. Determining a client's insurance needs based upon the client's personal financial situation.
- b. Evaluating multiple insurance types and providers.
- c. Facilitating underwriting process, which determines clients' insurance eligibility.
- d. Helping clients choose a plan based upon their needs.

## 5. **WealthBuilder Taxes: (from \$49/month)**

Tax preparation and planning services offered by an in-house Certified Public Accountant.

### **FINANCIAL PLANNING**

---

As wealth advisors, we tailor our investment advice for each client to address his/her financial goals, objectives and risk tolerance. We endeavor to consider the client's complete financial outlook when making investment recommendations and planning for his/her future. Therefore, we may structure our investment advice in view of any outside investments held by the client, considering each investment's effect on the client's total portfolio. At the request of a client, we may perform due diligence and furnish advice on current or potential outside investments or provide investment management services for certain outside investments, which may include ongoing research and analysis, benchmarking and rebalancing.

Our financial planning service includes:

- Personal budgeting and cash flow
- Personal financial statements
- Life, disability and long-term care insurance consulting
- Investment due diligence, management and portfolio construction
- Financial independence planning
- Estate planning and wealth transfer
- Education and specific goal/need planning
- Foundation management and charitable giving
- Business investment analysis and succession planning

These services may be undertaken on a comprehensive or modular basis.

## **Item 5 Fees and Compensation**

### **Financial Planning Fee**

#### **(WealthBuilder Plus, Consolidator, Protector and Business Owners clients)**

---

MRA's Financial Planning clients will generally be charged a separate fee for financial planning that is in addition to the fee for the MRA Wealth Management Program. Financial planning fees start at \$69/month, as noted in Section 4. The fee is based on the complexity of the client's financial situation, number of goals and meetings per year; however, it is negotiable and in some cases it may be waived or combined with the MRA Asset Management fee. Arrangements can be made to deduct the financial planning fee from another account (i.e. pay the fee for a retirement account from a non-retirement account, or to have the fee paid directly to MRA. The fee is waived for MRA Wealth Management Program household accounts of \$1 million plus.

### **MRA Wealth Management Program**

---

Fees for the MRA Wealth Management Program are described in Item 8, and in the MRA Wrap Fee Brochure.

### **Tax Preparation Services: (WealthBuilder Taxes)**

---

MRA's fee for tax preparation fees start at \$49/month. The fee is based on the complexity of the client's tax situation and the number of tax forms to file. These services are provided by a CPA employed by MRA and the CPA, and therefore MRA, will need to have access to all of a client's tax related information. Clients are not required to use MRA's tax preparation services and the services may cost more or less than comparable services offered by an unaffiliated CPA.

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

MRA does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Because some of our supervised persons manage both accounts that are not charged a performance-based fee and another firm that charges a performance-based fee, they face a conflict of interest because they have an incentive to favor accounts that are charged a performance-based fee. For example, MRA may have an incentive to direct the best investment ideas to an account that pays a performance-based fee or to allocate or sequence trades in favor of the performance fee account. To manage this potential conflict, all accounts are managed in line with the account's objective and strategy, and portfolios are monitored by our compliance department for consistency with client objectives and restrictions. In addition, we have trade allocation policies and procedures designed to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **Item 7 Types of Clients**

### **MRA MANAGEMENT PROGRAM**

---

MRA provides services primarily to individuals and businesses with a minimum of \$2,000 per household to open an investment account. The typical client has a net worth of a least of \$1 million.

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

### **Investment Strategy**

---

#### **Separate Accounts**

MRA currently maintains multiple model portfolios that are used as the basis for implementing a client's investment plan. The models range from income, conservative, moderate, moderately aggressive and aggressive. Each portfolio has varying degrees of asset categories and is reviewed with the client prior to implementation and periodically thereafter.

MRA's Investment Committee meets quarterly to review investment policy and strategy. During the investment committee meeting, there is a review of each investment model that may result in tactical adjustments to each model determined by market and economic conditions. The

committee also reviews our core recommendation list of investments, analyzing each individual asset class that supports our investment models.

MRA employs the following analytical criteria to select the funds and securities in its recommended portfolios:

- i. Past risk-adjusted performance and expense ratios relative to other investments within the same asset class having similar investment objectives.
- ii. Consistency of performance and rankings over time.
- iii. The historical volatility and downside risk of each proposed investment.
- iv. Consistency of investment style and tenure of the portfolio manager.
- v. How each investment complements the others in the portfolio.
- vi. Economic conditions and comparisons to other investment opportunities.

Each quarter MRA reevaluates portfolios using fundamental and tactical analysis, and rebalances or reallocates them as necessary. For portfolio risk assessment, the company utilizes Riskalyze, a software service that provides risk management analytics for investing. Based on the risk metrics of each portfolio, the software assigns Risk Number and projects the potential investment outcomes on the upside and downside for investment portfolios. Clients receive a report containing their Risk Number and its methodology. Projections on potential investment outcomes are no guarantees of outcomes and may be only used as a reference in the investment decision making process.

### **Risks of Loss**

---

Past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, bonds, and pooled investment vehicles) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

### **Separate Accounts**

---

We do not represent to any client, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss to the Client's invested assets. We do our very best as an investment adviser to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases. Below are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Any market, whether stocks, bonds, or other asset classes goes up and down as a result of overall market conditions. When markets go down, this can result in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock



equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

- Fixed Income Risk – When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest Rate Risk - The value of fixed income investments tends to decline as interest rates rise. As a result, investors who own fixed income investments through pooled vehicles such as ETFs or mutual funds, and investors who seek to sell fixed income investments prior to maturity, may incur losses.
- ETF and Mutual Fund Risk—When our firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund, including equities, fixed income, commodities, and derivatives on such securities. In addition, EFTs and closed-end mutual funds may trade at a premium or discount to the net asset value of their underlying portfolio securities. As a result, there is a risk that an investment in an ETF or a closed end mutual fund may result in the client paying more for, or selling for less, the portfolio securities, than a direct investment in the underlying securities. This risk, however, is offset by the additional costs of investing directly in the underlying securities.
- Master Limited Partnerships (“MLPs”) - MLPs are collective investment vehicles, the partnership interests in which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, and environmental risks among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.
- Real Estate Investment Trusts (“REITs”) - REITs are collective investment vehicles, the interests in which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related

holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

- Liquidity Risk – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because MRA and the Client’s broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.
- Concentration Risk – Portfolios managed by MRA may from time to time be concentrated in a single security, geographic region, or asset class. The value of Client accounts will vary considerably in response to changes in the market value of that individual security, region or asset class. This may result in higher volatility.
- Foreign Investing and Emerging Markets Risk – Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.
- Inflation, Currency, and Interest Rate Risks – Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor’s future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by MRA may be affected by the risk that currency devaluations affect Client purchasing power.
- Legislative and Tax Risk – Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government’s guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing

in natural resources). In certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.

- Counterparty Risk – Counterparty risk is the risk to MRA that the counterparty to a services contract will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to MRA, clients could potentially incur significant losses and may have access to their accounts and investments limited or restricted.
- Advisory Risk – There is no guarantee that MRA’s judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. MRA’s judgment may prove to be incorrect, and a Client might not achieve her investment objectives. In addition, it is possible that we fail to manage our business such that MRA remains a going concern which would be disruptive to our Clients as they would need to find a new investment advisor.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies managed by MRA. Prospective Clients should read this entire Form ADV and all accompanying materials provided by MRA before deciding whether to invest with us. In addition, as our investment philosophy develops and changes over time, an investment with MRA may be subject to additional and different risk factors. MRA will promptly amend this Brochure if and when any information regarding its investment risks becomes materially inaccurate.**

## Item 9 Disciplinary Information

MRA is required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of management. MRA does not have any required disclosures for this Item.

## Item 10 Other Financial Industry Activities and Affiliations

MRA’s Investment Adviser Representatives are affiliated with Highland Capital Brokerage, Inc. (“Highland”), an insurance agency that offers insurance products including term life, whole life, universal life, and long-term care insurance as well as fixed annuities. In such capacity, MRA may offer for sale, insurance-related products to investment advisory clients of MRA to be included on a commission basis.

The recommendation by MRA or MRA’s representatives that a client buy an insurance product presents a conflict of interest, as the receipt of commissions on the sale of insurance products may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client’s need. As a result, MRA has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients. In addition, no client is under any obligation to purchase any commission products from MRA or MRA’s representatives. Clients are reminded that they may purchase insurance products recommended by MRA through other non-affiliated insurance agents.

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

MRA and persons associated with MRA (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with MRA’s policies and procedures.

MRA has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). MRA’s Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by MRA or any of its associated persons. The Code of Ethics also requires that certain MRA personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When MRA is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade with clients;  
or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact MRA to request a copy of its Code of Ethics.

## Item 12 Brokerage Practices

MRA generally recommends that separate account clients utilize the custody, brokerage and clearing services of Raymond James Financial Services (“RJFS”). The factors which MRA

considers includes the respective financial strength, reputation, execution, pricing, research and overall service provided by RJFS. MRA uses similar factors to select brokers used by the Fund.

The commissions paid by MRA's clients (including those commissions paid for by MRA in wrap fee accounts) comply with MRA's duty to obtain "best execution." Commissions paid may be higher than another qualified Financial Institution might charge to effect the same transaction where MRA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, if any, execution capability, commission rates, and responsiveness. MRA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

MRA periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The separate account client may direct MRA in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and MRA will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by MRA (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MRA may decline a client's request to direct brokerage if, in MRA's sole discretion, such directed brokerage arrangements would result in additional operational difficulties

Transactions for each client generally will be effected independently, unless MRA decides to purchase or sell the same securities for several clients at approximately the same time. MRA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among MRA's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among MRA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that MRA determines to aggregate client orders for the purchase or sale of securities, including securities in which MRA's Supervised Persons may invest, MRA generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. MRA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that MRA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment

guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, MRA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

RJFS provides us with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to RJFS's retail customers. RJFS also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. RJFS's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of RJFS's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of RJFS's support services:

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

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

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting. RJFS also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - educational conferences and events
  - technology, compliance, legal, and business consulting;
  - publications and conferences on practice management and business succession; and
  - access to employee benefits providers, human capital consultants and insurance providers.

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

The availability of services from RJFS benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to RJFS in trading commissions or assets in custody.

### **Forgivable and Non-Forgivable Loans**

---

RJFS has made available forgivable and non-forgivable loans to MRA to assist our business operations. The non-forgivable loan is guaranteed by Marco Lima and Adam C. Anderson, principal(s) of MRA. The terms of the non-forgivable loan require that management fees to MRA be paid to an account at RJFS for deduction of interest and principal payments on the loan before MRA may access such management fees. Each loan agreement contains various representations and covenants by MRA, including, with respect to the forgivable loan agreement, that MRA will, consistent with its fiduciary duty, endeavor to maintain a substantial percentage of committed AUM in end client net assets held at RJFS ("Assets Under Management at RJFS"), and that MRA will comply with all applicable laws, regulations, and agreements, and obtain all necessary licenses, consents and permits. Upon the occurrence and during the continuance of an event of default under the loan agreement, RJFS may terminate and/or accelerate the loans, which may have a material adverse effect on the MRA's ability to perform services for you.

Some of the products, services and other benefits provided by RJFS, including the loan noted above, benefit MRA and may not benefit MRA's client accounts. MRA's recommendation or requirement that a client place assets in RJFS's custody may be based in part on benefits RJFS provides to MRA, or MRA's agreement to maintain certain Assets Under Management at RJFS, and not solely on the nature, cost or quality of custody and execution services provided by RJFS.

MRA places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. MRA may use broker-dealers other than RJFS to execute trades for client accounts maintained at RJFS, but this practice may result in additional costs to clients so that MRA is more likely to place trades through RJFS rather than other broker-dealers. RJFS's execution quality may be different than other broker-dealers.

## **Item 13 Review of Accounts**

### **Account Reviews**

---

MRA monitors its clients' investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Where MRA provides advisory and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Partners of MRA. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep MRA informed of any changes thereto. The firm contacts ongoing investment advisory separate account clients at least annually to review its

previous services and recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and General Reports**

---

*Separate Account Clients.* Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for their accounts. Clients may also receive reports from MRA that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on a monthly basis or as otherwise agreed upon with the client. Clients should compare the account statements they receive from their custodian with any supplemental reports they receive from MRA and/or the Independent Managers.

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

MRA is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, MRA is required to disclose any direct or indirect compensation that it provides for client referrals. MRA does not have any required disclosures to this Item.

MRA does not have any formal relationship or arrangement requiring disclosures to for this Item; however, the firm may occasionally refer clients to members of the community such as lawyers and accountants who have made, or may make, referrals to the firm. Consequently, there is the potential for a conflict of interest where MRA makes such referrals.

MRA receives an economic benefit from RJFS in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of products and services from RJFS is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15 Custody**

An outside Financial Institution will act as the qualified custodian for client accounts. The client's selected Financial Institution will be the custodian for clients' assets in the MRA Wrap Fee Program. RJFS is the custodian of clients' assets in the MRA ETF Program.

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, the outside Financial Institution will debit advisory fees from separate client accounts and remit them to MRA or the client may arrange to pay them directly. As a result, under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account, and we are deemed to have custody of the Fund's assets as a result of our affiliation with the General Partner.

Separate account clients receive account statements directly from their custodian at least quarterly. They will be sent to the email or postal mailing address the client provides to their



custodian. Clients should carefully review those statements promptly when received. We also urge clients to compare the account statements to the periodic portfolio reports clients receive from us.

## Item 16 Investment Discretion

For discretionary accounts, we have full trading authority under a limited power of attorney assigned to us in the client agreement. As a result, we will determine both the investments, and how much of each, should be purchased or sold on each client's behalf. In making investment decisions, we adhere to the investment strategy outlined in each client's Investment Policy Statement and the Fund's governing documents.

Nondiscretionary accounts are managed for clients who are unwilling or unable to provide limited power of attorney to us.

## Item 17 Voting Client Securities

MRA is required to disclose if it accepts authority to vote client securities. MRA does not vote client securities on behalf of its separate account clients. These clients' proxies are voted either by the Independent Managers or the clients themselves.

## Item 18 Financial Information

MRA is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years