

# McGee Wealth Management, Inc. (“MWM”)

## *Firm Brochure*

June 30, 2020

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This brochure provides information about the qualifications and business practices of McGee Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 503-597-2222 or [Linette@McGeeWM.com](mailto:Linette@McGeeWM.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.

McGee Wealth Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about McGee Wealth Management, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109847.



## Item 2 Summary of Material Changes

There have been no material changes since the February 27, 2020 Form ADV Part 2 filed on the IARD system.

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## Item 4 Advisory Business

### INTRODUCTION

McGee Wealth Management, Inc. (MWM) is a federally registered investment adviser with the Securities and Exchange Commission ("SEC") pursuant to the Investment Advisers Act of 1940. MWM is a fiduciary and is required to act in a client's best interest at all times. MWM and its predecessors have provided advisory services since 1983. MWM is owned by Judith A McGee, CEO, Chair and D Linette Dobbins, President/Chief Compliance Officer.

As of December 31<sup>st</sup>, 2019, MWM managed approximately \$529,353,093 of clients' assets on a discretionary basis and \$24,478,624 of clients' assets on a non-discretionary basis for a total of \$553,831,717 in assets under management.

Investment Adviser Representatives of MWM are affiliated with Raymond James Financial Services, Inc. (RJFS) Member FINRA/SIPC. The Investment Adviser Representatives of MWM are dually registered as Registered Representatives of RJFS. RJFS is a broker-dealer and primarily in the business of selling securities and other investments including annuity, fixed, and life insurance products, on a full-time basis in all 50 states, including DC, Puerto Rico and the US Virgin Islands. RJFS is an affiliate of Raymond James Financial (RJF).

Another important affiliation of MWM, through RJFS and RJF is with Raymond James & Associates, Inc. ("RJA"), a broker-dealer, member of the New York Stock Exchange, SIPC, and a Registered Investment Adviser. RJA serves as the custodian for MWM and RJFS client accounts, acts as the clearing agent, and facilitates various advisory programs. Asset Management Services ("AMS") is a division of RJA. AMS manages several investment advisory programs for RJA and RJFS, which maintain an approved list of investment managers, provide asset allocation model portfolios, establish custodial facilities, monitor performance of client accounts, provide clients with accounting and other administrative services, and assist investment managers with certain trading management activities.

References to Raymond James throughout this document indicates a combination of companies referenced above and/or that are part of the Raymond James family.

For more complete information regarding these affiliations, please reference Items 10 and 12 of this brochure.

The following pages describe our services and fees. As used in this Brochure, the words "we," "our" and "us" refer to MWM and your Investment Adviser Representative ("IAR"), and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Your IAR works with you to determine the appropriate investment objectives based on the information you provide

initially, and periodically thereafter. With this information, you and your adviser may select one of the following programs. If you wish to impose or modify an existing investment restriction, you may do so at any time by discussing this with your IAR.

#### Accounts Managed by your IAR:

##### Passport

The Passport Account is a fee-based account, offered by MWM and administered by RJA, in which you are provided with ongoing investment advice and monitoring of securities holdings. Your IAR will manage your account according to your objectives on a non-discretionary basis (or discretionary, provided that your IAR has met certain qualifications), according to your objectives. This account offers you the ability to pay an asset based advisory fee and a nominal transaction fee in lieu of a commission for each transaction. Beginning December 31, 2018, clients with Passport ERISA accounts will no longer incur transaction charges. MWM receives a portion of the asset-backed advisory fee.

#### **For further information refer to the RJA Wrap Fee Program Brochure.**

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### **ACCOUNTS MANAGED BY OTHER ASSET MANAGERS**

##### **1) Freedom**

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon your financial objectives and risk tolerances. You appoint RJA as your investment adviser to select the representative funds and monitor their performance on a continuing basis. Your IAR receives a portion of the fee. **For further information refer to the RJA Wrap Fee Program Brochure.**

## 2) Freedom UMA

The Freedom UMA Account is an investment advisory account which, like the Freedom account, allows you to allocate your assets through discretionary mutual fund or ETF management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through affiliated or unaffiliated investment advisers (“Managers”) registered with the SEC with which RJA has entered into a sub-advisory agreement. Your IAR receives a portion of the fee. **For further information refer to the RJA Wrap Fee Program Brochure.**

## 3) RJCS

You appoint RJA, as adviser, to select certain portfolio managers, monitor performance of your account, provide you with accounting and other administrative services, and assist portfolio managers with certain trading activities. Based upon your financial needs and investment objectives, your IAR may assist you in selecting an appropriate manager(s). Your IAR receives a portion of the fee. **For further information refer to the RJA Wrap Fee Program Brochure.**

## INDIVIDUAL INVESTMENT ADVISORY CONSULTING AND FINANCIAL PLANNING

We provide investment advisory consulting and/or supervisory services involving an analysis of a particular investment, investment portfolio, or overall financial situation. We also provide financial planning and consulting services designed to meet your specific financial needs and objectives. The consulting services include a review of your current financial situation, with emphasis on income tax planning, estate tax planning, insurance planning, education planning, retirement planning, and capital needs planning. To the extent other services are needed, we will assist you in those areas. We may also help you coordinate the implementation of any recommendations made, including referral to other practicing professionals such as an attorney, accountant or insurance agent whose services may be required.

In preparing a financial plan, we gather information deemed relevant to the particular service provided through personal interviews with you and through documents and/or client profile questionnaires. Each service includes an analysis of your financial information, which may, but is not necessarily required to include items such as: current assets, income, investments, liabilities, short and long-term capital and liquidity needs, risk tolerance and short and long-term financial goals and objectives.

Should you choose to implement the recommendations contained in your financial plan, we generally make recommendations with respect to products and services that we, or our affiliates, offer. However, the decision to implement any recommendation rests exclusively with you, and you have no obligation to implement any such recommendations through us or our affiliates.

In addition to providing individual financial planning and investment advisory consulting services to individuals and corporations, we also provide advice and consultation to retirement plan sponsors and pension plans. Services rendered

may include, but are not necessarily limited to, the development of a documented investment process, asset allocation, research and investment recommendations, plan participant education, investment or investment manager performance monitoring, and guidance to the plan sponsors on its fiduciary obligations to plan participants. In providing these services, we may act as a fiduciary as defined under Section 3(21)(A)(ii) of ERISA, but will serve in such capacity only with respect to the provision of ERISA-defined investment advice.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client’s income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client’s current income tax and future tax liability. We do not purport to provide tax return preparation advice. Advice in this area is to be sought from a tax preparation professional or Certified Public Accountant.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client’s portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client’s cash needs at death for estate settlement, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client’s current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker.

Implementation of financial plan recommendations is entirely at the client’s discretion. The client may choose certain elements of financial planning and may or may not be comprehensive in nature.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial planning is interactive utilization of our web based interactive financial planning software. Clients have control over changing the inputs for financial planning and have many on-demand reports available to them which can change daily as account values change. MWM will print financial

planning reports and these reports are presented to the client.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature. There is no obligation to open an investment account with MWM through its affiliate Raymond James.

## ADDITIONAL SERVICES

### Research

Your IAR or MWM may, from time to time, issue special reports, charts, graphs, etc., to you. We may also offer investment advice on general matters such as business value analysis, business succession and/or liquidations, and in manners not described above. We may also recommend that you utilize certain asset allocation services. Fees for such services are disclosed in each agreement provided to you.

### Seminars

Additionally, advice may be rendered regarding securities and/or financial planning through seminars. Such seminars may be used as an introduction to the financial planning process as noted above. Generally, such seminars are offered for free, and may be sponsored by an investment or insurance company which does business with MWM, or an affiliate. On some occasions a fee may be charged. Any fees charged to attendees are fully disclosed and charged in advance of the seminar.

## Item 5 Fees and Compensation

### INVESTMENT SUPERVISORY SERVICES ASSET MANAGEMENT SERVICES

We may base our fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) or commissions. You may negotiate asset-based fee and/or commission rates with us, and the decision to accept a negotiated fee is at the discretion of your IAR. Factors involved in this negotiation may include the nature and size of the overall relationship with your IAR, the level and type of advisory or other financial services being or expected to be provided, and Raymond James' or its affiliates' policy with respect to discounts. You understand that unless a lower or higher rate has been negotiated, you should expect that Raymond James or its affiliate(s) will charge fees based upon the applicable standard fee schedule detailed below for each account program. While the asset-based fees are negotiable, the fee schedule's asset-level breakpoints may not be modified in any way.

The annualized fee for Investment Supervisory Services for the Passport Account (PASSPORT) will be charged as a percentage of assets under management, according to the following schedule (MWM reserves the right to discount fees):

Account Value	MWM Typical Annual Fee
\$0 - \$1,000,000	1.25%
\$1,000,001 - \$5,000,000	1.00%
\$5,000,001- \$10,000,000	0.85%
Over \$10,000,000	Negotiable

For purposes of calculating and assessing asset-based fees, MWM uses the term "Account Value", which may be different

than the asset value as reported on brokerage statements provided by RJA to clients. Pursuant to the investment management or advisory agreement, Account Value is defined as the total absolute value of the securities in the Account, long or short, plus all credit balances with no offset for any margin or debit balances. Please see Item 13, "Review of Accounts" for details on the account valuation methodology employed by MWM when calculating asset based fees.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value as of the last business day of the previous calendar quarter, and becomes due the following business day.

You authorize and direct RJA as Custodian to deduct asset-based fees from your account; you further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to MWM. You understand that the brokerage statement will show the amount of the asset-based fee. Please see Item 13, "Review of Accounts - Brokerage Statement and Performance/Billing Valuation Value Differences for Fee-Based Accounts" for details on the account valuation methodology employed by MWM when calculating asset-based fees.

The asset-based fees associated with the Passport account include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchanges Act of 1934 and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

Additionally, there is a nominal transaction fee for the execution of each trade of \$15.00, with the exception of Passport ERISA accounts and certain Non-Partner Mutual Fund purchases described below.

Select fund companies ("Participating Funds") have agreed to pay RJFS administrative fees. For certain mutual fund purchases, RJFS may use such fees to credit back the transaction fee charged to Clients' accounts, as required by applicable law. Select fund companies have agreed to pay marketing service and support fees to RJFS ("Partner Funds"). "Non-Partner Funds" do not participate in RJFS's Education and Marketing Support program. Transaction fees are applied to purchases of Partner and Non-Partner Funds. The transaction fee for Non-Partner Fund purchases (excluding those Non-Partner Fund purchases made in non-taxable accounts, e.g. IRAs, and certain other tax-deferred vehicles excluding ERISA Plans, which will be subject to the \$15.00 fee noted above) is \$40.00. Please note that funds may change their Participating, Partner or Non-Partner status at any time, so please consult with your financial advisor to verify their status periodically. Please refer to the "Client Referrals and Other Compensation" section for

additional information regarding Participating Funds and Partner Funds.

You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Your Agreement may be terminated by you or us at any time upon providing notice pursuant to the provisions of your Agreement. In the event of termination of your Agreement, we will refund to you the prorated portion of the fee for the quarter of termination. There is no penalty for terminating your account.

A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. MWM may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

*Limited Negotiability of Advisory Fees:* Although MWM has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

The tax treatment of the advisory fee may depend on the services covered by the fee, the kind of assets in your account(s), and your tax circumstances. See your tax advisor for more details.

#### **Termination of Advisory Services**

Your agreement with us, for each of the aforementioned account programs, may be terminated by you or us at any time upon providing notice to each other. There is no penalty for terminating the advisory agreement. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not earned by us.

Accounts in the Passport programs are not for day trading or other extreme trading activity, including excessive options trading or trading in mutual funds based on market timing. As such, pursuant to the respective program advisory agreement, we reserve the right to terminate, at our sole discretion, any client account in these programs.

#### **SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES**

We are paid by the independent adviser selected by the client for portfolio management services. Our fee is based on a percentage of the client's managed assets (typically ranging up to 1.00% of the fee charged by the independent investment adviser, depending on the size of the account), which is included in the independent investment adviser's annual management fee. The portion of the advisory fee paid to us does not increase the client's ultimate advisory fee paid to the selected independent investment adviser.

Along with the information disclosing the fee contained in the new account documentation, clients are provided with a separate disclosure document as describing the fee paid to us by such independent registered investment advisers. The total asset management fee, including the referral fee paid to our firm, is disclosed in the independent investment adviser's disclosure document.

#### **FINANCIAL PLANNING and CONSULTING SERVICES**

Financial Planning and consulting fees are negotiable. You will be charged on either an hourly basis at an average rate of \$350 or on a fixed basis at an average cost of \$3,000. Fees charged for these services will be dependent upon the anticipated time to provide the services and complexity of the plan and/or your financial situation. The fees are determined in advance and disclosed to you at the time the Investment Advisory Consulting Agreement is executed. It is possible that you may pay more or less for similar services than may be available through another firm.

The fees for financial planning and consulting services are payable as follows:

- 1 - Hourly rates for plan development or consultation are due at the completion of the plan or services provided.
- 2 - Fixed fees for plans or consulting services vary depending on the complexity and comprehensiveness of the plan or consulting services rendered.
- 3 - Billing as a percentage of assets is used for assets held outside of RJFS (custodian), such as 401K accounts held directly with the plan sponsor or accounts held at other financial institutions. Services rendered and the fees charged are disclosed in each Investment Advisory Consulting Agreement.

You may terminate the advisory relationship without penalty within five (5) days of entering into the advisory agreement. However, MWM may bill you for actual time and expenses incurred prior to termination.

It is important to note that we may provide investment product or securities recommendations as part of financial planning services or hourly consulting services. This will present a conflict to the extent that your IAR receives compensation from such recommendations. Also, compensation to your IAR and MWM may vary depending on the product or service your IAR recommends. Therefore, your IAR may have a financial incentive to recommend that financial plan or consulting advice be implemented using a particular product or service over another

product or service.

You are under no obligation to purchase securities or services through MWM and your IAR nor are you obligated to implement a financial plan through MWM. If you decide to purchase certain investments through your IAR, who is acting in a non – advisory capacity, you should understand that RJFS and your IAR may receive compensation for those services, such as commissions and/or trail fees. You should discuss with your IAR how RJFS and your IAR will be compensated for any recommendations in the plan.

If you decide to implement the financial plan or consulting advice through an MWM advisory program or service, your IAR will provide you at the time of engagement with a client agreement that will contain specific information about fees and compensation that your IAR and MWM will receive in connection with that program.

You should also understand that MWM and your IAR may perform advisory and/or brokerage services for various other clients. MWM and your IAR may give advice or take actions for those other clients that differ from the advice given to you. Also, the timing or nature of any action taken for your account may be different. You should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

#### **OTHER COMPENSATION CONSIDERATIONS**

##### **Investment of Cash Reserves**

Raymond James has established a system in which cash reserves “sweep” daily to and from your investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered your sweep account. Available sweep options include the Raymond James Bank Deposit Program (“RJBDP”), the Client Interest Program (“CIP”) sponsored by Raymond James, and a proprietary class of money market funds (the “Eagle Class - JP Morgan Money Market Funds”) of the JP Morgan Prime Money Market Fund and JP Morgan Tax Free Money Market Fund, managed by J.P. Morgan Investment Management, Inc. (“J.P. Morgan”) and offered by Eagle. You may select RJBDP, CIP, the Eagle Class - JP Morgan Money Market Funds, or any combination thereof.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation (“FDIC”) and Securities Investor Protection Corporation (“SIPC”). The custodian may change an investment option at any time by providing you with thirty (30) days advance written notice of such change, modification or amendment.

If you select the RJBDP option, you are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of your deposits at any of the Banks.

Raymond James Bank, N.A. (“Raymond James Bank”) is a wholly owned subsidiary of Raymond James Financial, Inc. (“RJF”), which may provide banking and financial services to Raymond James clients. Cash balances for investment advisory accounts may be maintained at RJ Bank and are required to be maintained there for ERISA, IRA and SEP accounts. Raymond James Bank and the interest rate it offers may differ from the yield on the Eagle Class - JP Morgan Money Market Funds and CIP, but Raymond James Bank generally earns more than the interest it pays on such balances. The Eagle Class - JP Morgan Money Market Funds are offered by Carillon Tower Advisers, Inc. (“Carillon”) through an agreement with J.P. Morgan. Under the agreement, Carillon, Carillon Fund Services, Inc. and Carillon Fund Distributors, Inc. (together, the “Carillon Affiliates”), and Raymond James and its affiliate RJFS are compensated by the Eagle Class - JP Morgan Money Market Funds and J.P. Morgan for, among other things, distribution costs, shareholder record-keeping activities, and the coordination and administration of the funds. Raymond James generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by the Carillon Affiliates and Raymond James is in addition to the asset-based fees that Raymond James receives from these accounts. Where an unaffiliated third party acts as custodian of account assets, you and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are transferred automatically on a daily basis to your cash sweep account. When securities are sold, funds are deposited on the day after settlement date. Funds placed in your account by personal check usually will not be transferred to the sweep account until the second business day following the day that the deposit is credited to your investment account. Due to the foregoing practices, Raymond James may obtain federal funds prior to the date that deposits are credited to your investment account and thus may realize some benefit because of the delay in transferring such funds to their interest-bearing cash sweep account.

For further information, please refer to “The Raymond James Cash Sweep Programs” brochure, a copy of which is available from your IAR, or you may visit the Raymond James public website: [http://www.raymondjames.com/cash\\_sweep.htm](http://www.raymondjames.com/cash_sweep.htm).

##### **Other Considerations**

On occasion, there may be instances in which a financial advisor of RJA will establish a portfolio management or consultation relationship with a financial advisor of RJFS or MWM, a registered broker/dealer and investment adviser, respectively, and corporate affiliates of RJA. The RJA financial advisor will also

be a registered securities representative of RJA. The RJA financial advisor may act in a consulting role to the client, who has been referred by a financial advisor of RJFS or MWM. However, the RJA financial advisor may act as the client's primary advisory representative and may refer the client to a financial advisor of RJFS or MWM, who serves as their consultant. The client will be charged an advisory fee by the RJA or RJFS/MWM financial advisor, which is shared with the affiliated financial advisor.

#### **Additional Expenses Not Included in the Asset-Based Advisory Fee**

You may also incur charges for other account services provided by Raymond James not directly related to the advisory, execution, and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, charges/interest for maintenance of margin and/or short positions, and fees for legal or courtesy transfers of securities. For a complete list of account service charges, please visit Raymond James's public website:

[http://www.raymondjames.com/services\\_and\\_charges.htm](http://www.raymondjames.com/services_and_charges.htm)

(Client Account Services and Charges). You may also contact your financial advisor or call Raymond James by phone at 800-647-SERV (7378) for additional information, or may submit your written request to: Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716.

Certain mutual funds, in addition to management fees and operating expenses, pay Raymond James Rule 12b-1 fees, also known as "trails". In certain circumstances, Raymond James will choose to make share classes that pay 12b-1 fees or trails available in investment advisory programs even if a less costly share class is available, due to the ability for Raymond James to earn marketing and education support payments from the fund adviser or its affiliates. These marketing and education support payments benefit Raymond James and do not increase costs to the client. Raymond James's receipt of 12b-1 fees from fund companies varies and is on either a monthly or quarterly basis. Where 12b-1 share classes are used, 12b-1 fees are credited bi-monthly to the client's accounts, after they are received by Raymond James. However, 12b-1 fees received by Raymond James on share classes that are not eligible for the advisory fee, such as class C shares designated as Administrative-Only Investments, will not be credited to the client's account as described above, but instead will be retained by Raymond James.

You should understand that the annual advisory fees charged in the Passport program is in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that you intend to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of these programs. You may be able to purchase mutual funds directly from their respective fund families without incurring the Registrant's advisory fee. When purchasing directly from fund families, you may incur a front or back-end sales charge.

You should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for

redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not MWM) to deter "market timers" who trade actively in fund shares. You should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, may increase the overall cost to you by 1%-2% (or more). More information is available in each fund's prospectus.

You should be aware that exchange traded funds ("ETFs") incur a separate management fee, typically 0.20%-0.40% of the fund's assets annually (although individual ETFs may have higher or lower expense ratios), which is assessed by the fund directly and not by MWM. This management fee is in addition to the ongoing advisory fee assessed by MWM, and will generally result in clients which utilize an SMA Manager or Investment Strategy that invests in ETFs paying more than clients utilizing one that does not invest in ETFs, without taking into effect negotiated asset-based fee discounts, if any.

Certain ETFs may be classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Prospective or existing RJCS, EHNW, Freedom or Freedom UMA clients should consult their tax adviser for additional information regarding the tax consequences associated with the purchase, ownership and disposition of such investments. Additional information is also available in the ETF prospectus, which is available upon request.

Alternative Investments refers to securities products that serve as alternatives to more traditional asset classes and may include investment products such as hedge funds, private equity funds, private real estate funds and structured products. MWM, through its IARs, may offer you a wide range of alternative investments. It is important for you to work with your IAR to evaluate how a particular alternative investment and its features fit your individual needs and objectives. An important component of the selection process includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help you make an informed choice.

As part of the review process, you should consider the fees and expenses associated with a particular alternative investment, along with the fact that your IAR and MWM receive compensation related to any such purchase. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments. Your IAR will answer any questions regarding the total fees and expenses and the initial and ongoing compensation that they and/or MWM may receive.

While each investment will differ in terms of both total fees and expenses and how those fees and expenses are calculated, the following section will discuss the primary categories of fees and expenses that are common to many alternative investments and the different ways that MWM and your IAR may be compensated.

- *Management fees:* The manager for any particular investment will often charge a management fee that is based on the total value of your investment. As the value of your investment increases, the total management fees that a manager receives may increase. As the value of your investment decreases, the total management fees that a manager receives may decrease. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds. MWM and/or your IAR may share in a portion of management fees to which an investment manager is entitled.
- *Incentive-based compensation:* Many alternative investment managers receive incentive-based compensation in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of profits generated for clients. Fees related to incentive compensation are often referred to as incentive/performance-based fees or carried interest. It is important to note that these fees are in addition to management fees that are charged by the manager and that the exact calculation of incentive fees or carried interest differs by product and manager. MWM and/or your IAR may share in any incentive-based compensation to which an investment manager is entitled.
- *Upfront or ongoing servicing fees or placement fees:* Many alternative investments have upfront costs directly related to compensating your IAR and/or MWM. These fees are generally based on the total amount of your investment. Additionally, there may be ongoing fees, based on value of your investment, that are directly related to compensating your IAR and/or MWM. The total level of compensation received by MWM may be related to the total MWM client capital invested with a particular manager or product.
- *Redemption fees:* Some investments may have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors.

Alternative investment strategies may be accessed through a variety of legal structures, including mutual funds, limited partnerships and limited liability companies. In certain structures, particularly for new offerings, investors may incur organization and offering expenses that are related to the creation of the legal structure and marketing of the product. These costs ultimately serve to decrease the amount of the client's investment. Additionally, investors may incur other expenses based on the investment activity of the fund. For instance, in a real estate fund, investors may be charged fees related to the acquisition of a property. In a hedge fund that shorts stock, there are costs associated with establishing and maintaining the short position. Lastly, investors in alternative investments generally bear the cost of certain ongoing expenses related to administration of the product. These expenses may include costs related to tax document preparation, auditing services or custodial services.

Alternative investments often have limited liquidity, intermittent pricing and values based on appraisal-based pricing versus market-based pricing. Additionally, if an alternative investment is reflected on your Raymond James statement, the value reflected is often an estimate subject to revision by the investment manager. One or a combination of these issues impact the value on which you are charged when your investment is eligible for asset-based advisory fees. MWM will typically only assess an advisory fee on alternative investment products that are priced at least quarterly and are not assessed an upfront commission or sales load upon initial investment.

You should also understand that certain no-load variable annuities may be offered in the Passport program and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

You should understand that certificates of deposit ("CD"s) from Raymond James Bank may be purchased, with a commission, in the Passport program. These CDs are considered non-billable assets for one year. Due to your IAR's affiliation with Raymond James Financial (NYSE-RJF) and Raymond James Bank, being an affiliate of Raymond James Financial, Inc. (NYSE-RJF), a conflict of interest exists.

You should also understand that more sophisticated investment strategies such as short sells and margins may be offered in the Passport program. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where your IAR may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved. In the cases where margin debit interest is charged to your account, your IAR may receive a portion of the interest charged as a Controlled Asset Fee, presenting a conflict of interest.

Your total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include your ability to:

- 1) obtain the services provided within the programs separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within each program.

When making cost comparisons, you should be aware that the combination of multiple mutual fund investments, advisory services, and custodial and brokerage services available through

each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or you otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or you otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

Further information regarding fees assessed by a mutual fund, variable annuity or UIT is available in the appropriate prospectus, which you may request from your IAR.

The mutual funds and ETFs available in the programs often may be purchased directly. Therefore, you could avoid the second layer of fees by not using the investment advisory account and making your own decisions regarding the investment.

You should be aware that only those mutual fund companies which RJFS has a selling agreement with will be available for purchase within the Passport program, and are generally limited to those fund companies that provide RJFS and its affiliates marketing service and support fees. As a result, not all mutual funds available to the investing public will be available for investment. However, RJFS has selling agreements with over 300 fund companies, offering over 9,000 separate mutual funds for potential investment.

If you are considering transferring mutual fund shares to or from Raymond James you should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, you must either redeem the shares (paying any applicable contingent deferred sales charge and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. You should inquire as to the transferability, or “portability”, of mutual fund shares prior to initiating such a transfer. The AMS Investment Committee may invest in funds or share classes not available outside of managed account programs such as the Freedom or Freedom UMA programs. For example, a fund company may agree to allow the AMS Investment Committee to buy an institutional share class of a fund for Freedom program accounts, while restricting individual client-directed purchases of the same share class in non-managed retail accounts. Upon termination of their Freedom or Freedom UMA account, you would generally be permitted to continue holding the institutional class of the fund, but will be unable to make additional investments. In addition, upon termination of an account holding Separately Managed Account (“SMA”) Fund shares purchased in a managed account through RJA, these shares will be redeemed immediately by RJA, as they may not be held outside of an SMA account. Please refer to the “Methods of Analysis, Investment Strategies and Risk of Loss” section for additional information regarding SMA Funds. Raymond James provides a variety of marketing and other sales support services to mutual fund companies related to their mutual funds. These services include, but are not limited to, providing detailed mutual fund information to financial advisors, assisting mutual fund companies with strategic planning support,

providing opportunities for assisting with professional development workshops, study groups, and other events and conferences. Raymond James also provides distribution support for prospectuses and promotional materials relating to their mutual funds. The marketing service and support fees that Raymond James receives take a variety of forms, including payments which are sometimes referred to as “revenue sharing” fees and 12b-1 fees. This compensation is generally not disclosed in detail in a particular mutual fund’s prospectus or Statement of Additional Information. The structure of these payments generally varies among mutual fund companies – a percentage of assets under management, a flat dollar fee, or some combination thereof – but the potential level of marketing support or revenue sharing fees that Raymond James receives from a particular mutual fund group/family will not exceed 0.30% (30 basis points) per year on mutual fund assets. Certain fund families are subject to a minimum annual fee up to \$75,000 to participate in the E&M Program.

The actual amounts that Raymond James may receive will vary from one mutual fund Company to another and investments in certain asset classes and/or mutual fund types may be excluded from the above formulas.

For a list of fund companies that have agreed to participate in Raymond James’ current Education and Marketing Support program, please visit: [http://www.raymondjames.com/disclosure\\_mutual\\_funds\\_co.htm](http://www.raymondjames.com/disclosure_mutual_funds_co.htm). Mutual fund companies that are indicated with an asterisk (\*) have also agreed to participate in the No Transaction Fee (NTF) Platform.

Marketing representatives of mutual fund companies, who are often referred to as “wholesalers”, work with Raymond James financial advisors and their branch office managers to promote their mutual funds. Consistent with applicable laws and regulations, these mutual fund companies may pay for or provide training and education programs for Raymond James’ financial advisors and their existing and prospective clients. Mutual fund companies may also pay for due diligence meetings, conferences, relationship building events, occasional recreational activities and other events or activities that are intended to result in the promotion of their mutual funds.

Mutual fund companies with mutual funds electronically linked or “networked” with a broker/dealer’s account system or with mutual funds available through a broker/dealer’s fee-based account programs often reimburse broker/dealers for a portion of their account servicing and administrative costs, which may include accounting, statement preparation and mailing, tax reporting and other shareholder services. Networking is a service that enables data sharing between Raymond James and mutual fund providers and/or their transfer agents. Raymond James currently receives up to \$20 annually in servicing fee reimbursements per each client mutual fund position. MWM IARs do not receive any part of these payments.

For a list of fund companies that have agreed to pay Raymond James networking or servicing fees, please visit:

[http://www.raymondjames.com/disclosure\\_mutual\\_funds.htm](http://www.raymondjames.com/disclosure_mutual_funds.htm).

In addition, you may write to us to request a list (either Raymond James' Education and Marketing Support program or of fund companies that have agreed to pay Raymond James networking or servicing fees) at: MWM Compliance, 12455 SW 68<sup>th</sup> Ave., Portland, OR 97223. You may also call MWM Compliance at 800-777-9062, or email us at [Compliance@McGeeWM.com](mailto:Compliance@McGeeWM.com).

#### Buying Securities On Margin And Margin Interest

When clients purchase securities they may either pay for the securities in full or borrow part of the purchase price from Raymond James. Clients that choose to borrow funds for purchases must open a margin account with Raymond James, upon approval based on the firm's analysis of, among other things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are the firm's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Raymond James may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity.

It is important that clients fully understand the risks involved in trading securities on margin (including selling short). Upon approval, where applicable, clients will receive a Truth In Lending Statement from Raymond James disclosing such risks, as well explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. Clients should understand that the extension of credit by Raymond James to clients will appear as a debit balance on the monthly brokerage statement. While the value of the margined security will appear as a debit, clients with a margin balance in an account(s) in the Passport account programs will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. With respect to short sales, the client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale.

As a result of the foregoing, the client's financial advisor and IAR's may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended (including selling short). In the event of such margin credit extension, the costs incurred by the client, as well as the compensation received by the client's financial advisor, will generally increase as the size of the outstanding margin balance increases.

Clients that purchase securities on margin should understand: 1) the use of borrowed money will result in greater gains or losses than otherwise would be the case without the use of margin, and 2) there will be no benefit from using margin if the performance of their account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin.

#### Short Sales

When executing short sales, you should be aware that RJA receives compensation for maintenance of the short position, which is in addition to the asset-based advisory fee. This compensation is generally calculated on a daily basis as a percentage of the current market value of the security sold short. Three of the major variables that impact the amount of the fee RJA retains, as well as the transparency of the fee on your statement are: 1) availability of the security at RJA; 2) the current interest rate environment in the U.S.; and 3) the availability of the security based on the supply and demand of loanable securities in the market.

When you borrow a security which RJA can lend from its own inventory or its available customers' securities holdings, RJA generally retains all of the fees generated by that loan. In a higher interest rate environment, this fee may not be transparent to you because it may not be charged directly to your account. In such instances, the fee is retained from the return generated by the investment of the collateral posted for the transaction (such as short sale cash proceeds). In the case of a limited supply of a loanable security and/or a lower interest environment, the interest earned on the invested cash collateral may not be sufficient to cover the fee; in this case RJA may directly charge the fee to your account until the borrowed balance is closed.

In cases where RJA has no available supply of loanable securities, RJA may borrow the security from another firm. In these cases, you will be charged a fee to cover the borrowed securities, and RJA and the firm which lent the securities will generally split this fee. As above, in a higher interest rate environment this fee may not be transparent to you because the fee is retained from the return generated by the investment of the collateral posted for the transaction and not charged directly to the account. Alternatively, where the interest earned may not be sufficient to cover the fee, RJA may directly charge the fee to your account until the borrowed balance is closed; a portion of that fee is passed from RJA to the firm from which the securities were borrowed.

For more information on interest/charges associated with margin balances and/or shorts sales, please visit Raymond James's public website: [http://www.rjf.com/services\\_and\\_charges.htm](http://www.rjf.com/services_and_charges.htm) (Client Account Services and Charges). You may also contact your financial advisor or call Raymond James by phone at 800-647-SERV (7378) for additional information, or may submit your written request to: Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716.

For further information regarding fees, you can reference the Raymond James Client Bill of Rights by going to our public website, [www.raymondjames.com](http://www.raymondjames.com), and clicking on the Personal Investing link, then Client Resources, then Rights and Responsibilities.

#### Other Potential Conflicts Of Interest to Consider

MWM IARs may have a financial incentive to recommend certain fee-based advisory programs rather than certain other account

types. A portion of the annual advisory fee is paid to your IAR, which may be more than they would receive under an alternative program, or if you paid for these services separately. Therefore, your IAR may have a financial incentive to recommend a particular account program over another. If you do not wish to purchase ongoing investment advice or management services or you wish to follow a buy and hold strategy, you should consider opening a brokerage account rather than a fee based account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account.

Your IAR does not receive a financial incentive to recommend or sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types.

As part of its fiduciary duties to clients, MWM endeavors at all times to put the interests of its advisory clients first. You should be aware, however, that the receipt of economic benefits by MWM (or its IARs, related persons, or affiliates) in and of itself creates a conflict of interest.

MWM IARs are separately licensed as Registered Representatives of RJFS, an unaffiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they may receive separate, yet customary compensation.

RJA acts as the clearing firm for those accounts and securities transactions introduced by MWM. To the extent recommendations are implemented through any of our affiliates, it should be noted that compensation will contribute to the overall profitability of the holding company, RJF. Should any securities be placed through us and your IAR, we may receive commissions on such transactions. This creates a conflict of interest. See items 10 and 12 for more complete information.

In instances where your IAR buys or sells the same securities as those of their Clients, the Client's accounts are given priority, MWM has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by the adviser and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of MWM. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading. See item 11 for more complete information.

In addition to the fee based compensation your IAR receives for providing advisory services, your IAR may earn commissions for transactional business in accordance with RJFS's published commission schedule. At the conclusion of each year, qualifying advisers are awarded membership in the RJFS's recognition clubs. Qualification for recognition clubs is based upon a

combination of the adviser's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs.

From time to time MWM receives compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, affiliated and unaffiliated mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of MWM.

As dually registered Investment Adviser Representatives (IARs) with MWM and Registered Representatives (FAs) through RJFS. Member FINRA/SIPC. There are inherent conflicts of interest, advantages and disadvantages of being dually registered as in IAR and an FA.

We discussed some of the conflicts above. The primary disadvantage one may perceive is that we can only utilize Raymond James for your custodian. We believe that our unique relationship as a dually registered IAR/FA is that we are able to recommend an advisory relationship or a brokerage relationship based on your needs. In some cases clients have both a brokerage account and an advisory account.

We have additional regulatory oversight. We have annual compliance audits from Raymond James and required continuing education credits required by FINRA. SEC audits are infrequent (there are many years between audits) and no continuing education requirements by the SEC.

Raymond James provides us with a high level of product due diligence in addition to our own due diligence, best in class research capabilities, a wide array of products and services to meet our clients' specific needs, and specialists to help in specific areas.

#### **Individual Investment Advisory Consulting and Financial Planning**

Should you choose to implement the recommendations contained in your financial plan, we generally make recommendations with respect to products and services offered by us and our affiliates. However, the decision to implement any recommendation rests exclusively with you, and you have no obligation to implement any such recommendations through us or our affiliates.

#### **GENERAL INFORMATION**

*Termination of the Advisory Relationship:* A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. The client may terminate this advisory agreement at any time and a refund of

the unearned fees will be made based on the time and effort expended by the firm before termination with the exception that a full refund of any fees paid will be made if the contract is terminated within 5 business days from the contract date.

**Mutual Fund Fees:** All fees paid to MWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### **Wrap Fee Programs and Separately Managed**

**Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

#### **Grandfathering of Minimum Account**

**Requirements:** Pre-existing advisory clients are subject to MWM's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** MWM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm 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, MWM may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset MWM's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

**Trade Errors:** Raymond James' process is if there is a loss of more than \$5, the loss will be billed to MWM. In the event of a gain due to trade error, the gain is set aside and used to offset any other losses over the past 30 days for the firm, and if none, it will be held for 30 days to offset any future losses for the firm during that period of time. After 30 days any gains are kept by Raymond James.

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

MWM and its IARs do not use a performance-based fee structure or participate in any side-by-side management.

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

MWM's advisory services are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, trusts, estates, charitable organizations, state and municipal government entities, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), corporations and other business entities.

MWM does not require a minimum asset amount for financial planning or hourly consulting.

There is a minimum investment of \$25,000 for Passport, IMPAC, and Ambassador accounts.

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

#### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for an investment's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Charting Analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

**Cyclical Analysis** a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

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

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not

control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

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

Sources of information may include Raymond James Research, Bloomberg, Morningstar, financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the Securities and Exchange Commission.

Since investment goals and financial circumstances change over time, you should review your investment program at least annually with your IAR. You may change your objectives at any time. For more information regarding this topic you may wish to review the Raymond James Client Bill of Rights and Responsibilities, provided to you upon opening your account.

**Risk of Loss** Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Liquidity Risk:** Liquidity is the ability to readily convert an

investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

If you are considering small-cap investments or objectives in which a portion or all of your assets are invested in small-cap disciplines, you should recognize the securities selected within these disciplines may not have the business experience or may have businesses that are still in the early stages of the business life cycle, may be less liquid, have lower trading volume and greater spreads between the purchase and sale price of the securities, and may experience greater volatility than securities with larger market capitalizations. The securities selected for these disciplines will typically be more speculative in nature and thus have greater potential for the loss of principal.

If you are considering an international/global investment or discipline, in which a portion or all of your assets are invested in international securities, you should recognize that investing in international securities markets involves additional risks not associated with domestic securities. Exchange rate fluctuations, currency controls, political and economic stability, and greater volatility are risks commonly associated with international investing. You should carefully review your asset allocation objectives and risk tolerance before selecting a manager or discipline that invests internationally.

Investors considering a fixed income investment or discipline generally seek consistent returns with low risk, and their tolerance for risk/volatility will accept only infrequent, minimal losses. Because of the less volatile nature of the disciplines, a fixed income investor may have a shorter investment time horizon than equity and balanced investors, although the objective can accommodate investors with longer time horizons as well.

If you are considering investments that are primarily high-yield fixed income, collateralized mortgage obligations ("CMOs"), asset-backed and/or convertible securities, you should be aware that additional risks exist with these types of investments. These securities may be rated below investment grade or not rated, which reflects the greater possibility that the financial condition of the issuer, or adverse changes in general economic conditions, may impair the ability of the issuer to pay income and principal. To the extent that no established secondary market exists, there may be thin trading of high-yield bonds, which increases the potential for volatility.

Periods of rising interest rates or economic downturns may cause highly leveraged issuers to experience financial stress, and thus markets for their securities may become more volatile. AAA-implied rated CMOs will have more volatility than AAA-rated Treasuries or corporate bonds during periods of rising

interest rates because of negative convexity -- slowing prepayments causing increased duration, or "extension risk." CMOs may not be appropriate for some investors, especially if timing of return of principal is a primary concern. The yield and average life of a CMO will fluctuate, depending on the actual prepayment experience and changes in current interest rates. For example, a rise in interest rates may cause the duration and average life to greatly increase and cause a loss of value. Convertible securities combine the fixed characteristics of bonds and preferred stock with the potential for capital appreciation and may be subject to greater volatility than pure fixed-income instruments. The aforementioned securities may be illiquid when selling small positions and withdrawals may take several weeks.

A sell transaction by a person that believes the price of a security will decline in value, though that person does not own the security at the time of the sale is considered a "short sale". Securities sold short must be repurchased at a later date. When clients sell a security short, Raymond James must borrow the security in order to make delivery on the client's behalf. The value of the shares borrowed and sold short is deposited by Raymond James with the security lender, and must be executed in a margin account. The shares may be called back by the lender at any time. If the borrowed shares are recalled and cannot be replaced, the position may be closed without prior notice. Clients are responsible for any dividend payments as long as the short position remains open in their account. This dividend charge should be included in any net profit or loss calculated for short sale transactions. Eventually the short sale must be covered by buying the same amount of borrowed shares for return to the lender. If the shares are able to be repurchased at a lower price than they were sold for, the profit is the price difference between the initial short sale and repurchase - not including the charges/interest for maintenance of the short position and taxes. However, if the value of the security increases subsequent to the initiation of the short sale, the loss is the price difference between the repurchase and initial short sale - again, not including the charges/interest for maintenance of the short position and taxes. Short selling is an advanced trading strategy with many unique risks and pitfalls. Novice investors are advised to avoid short sales because this potentially may result in unlimited losses. For example, the share price of a security can only fall to zero (i.e., limited profit), but there is no limit to the amount it can rise (i.e., unlimited loss). Stock exchange and federal regulations govern and limit the conditions under which a short sale may be made on a national securities exchange.

When clients purchase securities they may pay for the securities in full or may borrow part of the purchase price from Raymond James. Clients that choose to borrow funds for purchases must open a margin account with Raymond James, upon approval based on the firm's analysis of, among others things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are the firm's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Raymond James may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin (including selling short) before engaging in this activity. Upon approval, where applicable, you will receive a Truth In Lending Statement from Raymond James disclosing such risks, as well explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. You should understand that the extension of credit by Raymond James to clients will appear as a debit balance on the monthly brokerage statement. While the value of the margined security will appear as a debit, clients with a margin balance in an account(s) in the Ambassador, Passport or IMPAC account programs will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. With respect to short sales, the client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale.

Therefore as a result of the foregoing, your IAR and Raymond James may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended (including selling short). In the event of such margin credit extension, the costs incurred by you, as well as the compensation received by your IAR and Raymond James, will generally increase as the size of the outstanding margin balance increases.

An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying security at a specific price (i.e., strike price) on or before a certain date (i.e., expiration date). An option, just like a stock or bond, is a security. It is also a binding contract with strictly defined terms and properties. The two types of options available are calls and puts. A call option gives the holder the right to buy a security at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls believe that the stock will increase substantially before the option expires, and thereby allow them the option of buying the security at a price below the current market. A put option gives the holder the right to sell a security at a certain price within a specific period of time. Puts are similar to having a short position on a stock. Buyers of puts believe that the price of the stock will fall before the option expires, and thereby allow them the option of selling the security at a price above the current market. People who buy options are called holders and those who sell options are called writers; furthermore, buyers are said to have long positions, and sellers are said to have short positions. Call holders and put holders (buyers) are not obligated to buy or sell. They have the choice to exercise their rights if they choose, although their options may be automatically assigned/exercised if the option is "in the money" (i.e., current price above the strike price for call options, or the current price is below the strike price for put options) at expiration and has not be closed out as of the expiration date. Call writers and put writers (sellers), however, are obligated to buy or sell. This means that a seller may be required to make good on a promise to buy or sell. The price of an option is determined by many factors including: (1) the remaining life of

the option, (2) the volatility of the underlying security, (3) the relationship between the strike price of the option and the market price of the underlying security, as well as (4) the underlying company's dividend payment record. With respect to option buyers, the client will be assessed asset-based advisory fees based on the value of the call or put option. With respect to option sellers, the client will be assessed asset-based advisory fees based on the absolute value of the call or put option and on the proceeds/premium received upon the writing of the option.

If you are interested in employing the use of options in your account, you must be approved in advance by Raymond James, and may require the use of margin for higher risk strategies. Options involve unique and potentially significant risks and are not suitable for everyone. Option trading can be speculative in nature and may carry substantial risk of loss. Raymond James limits the use of options to hedging strategies in managed and discretionary accounts (e.g., covered calls and put purchases with limited downside risk), although clients may employ, upon pre-approval by Raymond James, more sophisticated and higher risk option strategies in their non-managed/non-discretionary accounts based on their individual circumstances. Prior to accepting an account for options activity, you must be given the Option Disclosure Document titled "Characteristics and Risks of Standardized Options" and must complete and submit an Option Agreement and Suitability Form for Raymond James review and approval prior to transacting option trades. You may only employ those strategies that have been approved.

For further information regarding this topic, you can reference the Raymond James Client Bill of Rights by going to our public website, [www.raymondjames.com](http://www.raymondjames.com), and clicking on the Personal Investing link, then Client Resources, then Rights and Responsibilities.

### **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer.

Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

**Short-term purchases.** When utilizing this strategy, we may purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an

attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Trading.** We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Margin transactions.** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

### Item 9 Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MWM. Our firm operates as an investment adviser. The disciplinary reporting requirements for broker/dealers and investment advisers differ in some ways, with FINRA requiring broker/dealers to report on matters (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers.

Our firm and our management personnel have no reportable disciplinary events to disclose.

The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the SEC's website, located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), as well as FINRA's website, at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

### Item 10 Other Financial Industry Activities and Affiliations

Management personnel of MWM are separately licensed as Registered Representatives of RJFS, an unaffiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While MWM, and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by MWM and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. MWM 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 our firm and our employees to earn compensation from advisory clients in addition to our 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;
- our 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 our 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.

Upon completion of the financial plan or advisory consultation, the client may wish to implement any of our recommendations, advisor suggests their broker/dealer, RJFS for executing securities transactions, principals of the applicant will receive a commission or wrap fee. The client is under no obligation to choose RJFS to implement securities transactions.

MWM advisors may recommend variable prepaid forward contracts for diversification of a low basis single stock. Fees for prepaid contracts typically range from 1 to 1.5% of the nominal value of the contract (number of shares times the share price at the time of execution) but may vary. These fees are calculated by the buyer on a case by case basis. Raymond James will receive a fee in which MWM advisors will receive a portion of the fee collected by Raymond James. Commissions charged by RJFS may not be the lowest in the industry. Investment Adviser Representatives (IAR) of MWM are Registered Representatives of RJFS a registered broker dealer with the FINRA and will recommend RJFS to advisory clients for brokerage services.

These IARs are subject to FINRA Conduct Rule 3280 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that the IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker dealer of their choice and have not obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account. MWM does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client. Advisor may recommend Raymond James Consulting Services, Inc. (RJCS), Passport, or Eagle Asset Management Inc., which are affiliates of RJF. If client chooses RJCS, Passport, or Eagle Asset Management, MWM's IARs or other representatives will receive a commission /advisory fee on the securities placed through RJFS by RJCS, Passport or Eagle Asset Management.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

MWM 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.

Pursuant to Rule 204A-1 under the Advisers Act, MWM has adopted a Code of Ethics. MWM monitors the personal securities transactions of its employees, officers, directors and investment adviser representatives. The Code of Ethics set forth standards of conduct and addresses conflicts of interest among MWM, MWM personnel and MWM advisory Clients.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [Compliance@McGeeWM.com](mailto:Compliance@McGeeWM.com), or by calling us at 503-597-2222.

MWM and individuals associated with our firm are prohibited from engaging in principal transactions.

MWM and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

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

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered with RJFS, an unaffiliated broker-dealer. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

### Item 12 Brokerage Practices

The primary affiliation of MWM, through is with RJFS, member FINRA/SIPC, through various licenses and registrations of it IARs. RJFS is a broker-dealer and primarily in the business of selling

securities and other investments including annuity, fixed and life insurance products, on a full-time basis in all 50 states, including DC, Puerto Rico and the US Virgin Islands.

Another important affiliation of MWM, through RJFS' holding company RJF is with RJA which is a broker-dealer and member of the New York Stock Exchange, SIPC, and a registered investment adviser. RJA acts as the clearing firm for those accounts and securities transactions introduced by MWM's IARs. MWM is obligated to seek best execution pursuant to its fiduciary duty as an SEC registered investment adviser for all trades executed, however better executions may be available via another broker-dealer based on a number of factors including volume, order flow and market making activity. To the extent recommendations are implemented through this affiliate, it should be noted that compensation will contribute to the overall profitability of the holding company, RJF.

MWM will recommend RJA to you as clearing firm. MWM IARs may also be Registered Representatives of RJFS and therefore subject to FINRA's Conduct Rule 3280 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IARs are limited to conducting securities transactions through RJFS and its clearing firm RJA. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. You may utilize the broker-dealer of their choice and have no obligation to effect transactions through RJFS. However, if the client does not utilize RJFS as their broker-dealer, the financial advisor will generally not be able to accept the client's account(s).

RJA may aggregate sale and purchase orders of securities held by Clients with similar orders being made simultaneously for other Clients if, in RJA's reasonable judgment, such aggregation is reasonably likely to result in overall economic benefit to Clients based on an evaluation that the Clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In some instances, the purchase or sale of securities for Clients will be affected simultaneously with the purchase or sale of like securities for other Clients.

Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions is determined, and at RJA's sole discretion, the Client may be charged or credited, as the case may be, the average transaction price.

MWM does not have any soft-dollar arrangements. MWM may receive financial support for client educational events as described earlier in this document.

MWM will place trades in a block order where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts

included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. MWM will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. MWM's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with MWM or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable MWM to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients. This order ticket is electronic.
- 5) If the order 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 pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) MWM's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on MWM's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

### Item 13 Review of Accounts INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

**Reviews:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, clients are advised to do annual, semi-annual or quarterly reviews of their investment portfolios. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Clients who are taking regular income off of their portfolios are urged to have regular quarterly reviews of their investments and cash flow.

**Reports:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### PORTFOLIO MANAGERS PROGRAM

**Reviews:** The performance of the registered investment adviser(s) selected to manage client portfolios within our Program is continually monitored by MWM. Furthermore, accounts within this program are formally reviewed periodically. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

### BROKERAGE STATEMENT AND PERFORMANCE/BILLING VALUATION DIFFERENCES FOR FEE-BASED ACCOUNTS:

The value used to calculate your asset-based advisory fee may differ from the net value shown on the brokerage statement. There are several reasons for these values to differ:

1. **Trade Date versus Settlement Date** – The brokerage statement values all securities and cash balances based upon trades not being completed until settlement date (when the money is due), while the value used for billing is derived from the performance system, which values all securities and cash balances based upon trade date (initiation of cost basis for performance and tax reporting purposes.) For example, if a recent buy in an account has executed, but not yet settled at quarter end, the trade will still show as a cash position on the brokerage statement. In contrast, the purchased security, and value, will be used for performance and billing calculations. Since the financial advisor's fee-based compensation is tied into the performance of the account, performance-related values are used for billing instead of the brokerage statement value.

2. **Margin Balances and Short Sales** – Because the brokerage statement reads like a balance sheet, short sells and margin purchases are reflected as liabilities. For example, if a client buys a security on margin (or sells it short), they will have to pay for that security eventually, so it is shown as a liability (negative value) on the brokerage statement. The performance-related value does not view shorts and margins in this manner. Rather, clients that employ margin are in fact utilizing the advisory services of their financial advisor, who in turn is compensated for it. For comparison, a client with a retail commission-based account would be charged a commission on each margin trade/short sale because in essence a security position that did not exist before has been now been created. While considered a liability on the brokerage statement, these "new" positions are relevant from a performance and billing perspective and are therefore included for performance and billing purposes. As a result, the use of margin or short sells generally results in the largest discrepancy in terms of value between the brokerage statement and performance/billing values. This can be seen in the fact that a client's brokerage statement "net" liquidation value is reduced by liabilities, while their performance/billing value is increased.
3. **Options** – Clients that write calls or puts, much like short sales, are creating a potential liability by doing so. While a client may understand that the net value of the account reflects what they would receive today if all securities were liquidated, it does not take into account the advisory or commission aspects of the securities that were "created". Again, clients are charged commissions in retail accounts when writing calls or puts because a security is being created. The correlation in a fee-based account is to value the security based upon the liability of the client by taking the absolute value of the short option. For example, a call writer expects the value of a particular security to decrease. If it does, the liability gradually decreases until it becomes zero. By taking the absolute value of the liability (the opposite of the long option) we value the short option based on the client's potential obligation to pay the option holder, and thus more accurately reflect the true "value" of the position.
4. **Dividends and interest payments** - The timing of when the dividend payment or interest payment is posted could cause nominal differences in the month end balance as reported by the Custodian.

### ACCOUNT VALUATION AND PRICING

Raymond James relies on third party pricing services to determine the value of client account assets. These values are shown on client's brokerage statements and are used in preparing a client's performance reports. However, if the client has its assets custodied with a custodian other than Raymond James and if the third party pricing service does not provide a price for assets in the client's account, Raymond James will generally rely upon the price reported by the client's third party custodian. If a client has assets held by a third party custodian, the prices shown on a client's account statements provided by the custodian could be different from the prices shown on statements and reports provided by Raymond James.

While sources used for pricing publicly traded securities are considered by Raymond James to be reliable, the prices may be based on actual trades, bid/ask information or vendor evaluations. As a result, these prices may or may not reflect actual trade prices a client may receive in the current market. Pricing for non-publicly traded securities is obtained from a variety of sources, which may include issuer-provided information (such as for limited partnerships, real estate investment trusts and other alternative investments). Raymond James cannot guarantee the accuracy, reliability, completeness or availability of this information.

#### Pricing on Fixed Income Securities

Fixed income securities, including brokered certificates of deposit, are priced using evaluations, which may be matrix- or model-based, and do not necessarily reflect actual trades. These price evaluations suggest current estimated market values, which may be significantly higher or lower than the amount a client would pay (or receive) in an actual purchase (sale) of the security. These prices, obtained from various sources, assume normal market conditions and are based on large volume transactions.

The bond “market” is largely comprised of dealers that trade over the counter amongst themselves and very few bonds trade on organized exchanges. While traders are able to trade larger round lot sizes relatively easily (generally for institutional accounts), the prices realized for factored mortgage-back and odd-lot bonds reflect the fact that it is more difficult to obtain a bid for such bonds. Factored mortgage-back and odd-lot bonds generally exhibit increased dispersion from publicly available pricing, which is typically based on institutional-level pricing. Bond prices are determined by what someone is willing to pay (the “bid”) and what the bond owner would like to receive (the “ask”). The difference between the two is referred to as “the spread”. With increases in price volatility, this spread may increase to wider levels, making bond valuation less precise. As a result, bond prices reflected on brokerage statements or available online through the Investors Access portal (or available from your financial advisor) are best efforts estimates and should not be considered as potential sales prices or actual “bids”. In cases where there is a need to sell a bond (or bond portfolio), Raymond James recommends that clients contact their financial advisor to determine an actual bid(s).

Market prices of fixed income securities may be affected by several risks, including: (i) interest rate risk – a rise (fall) in interest rates may reduce (increase) the value of your investment, (ii) default or credit risk – the issuers ability to make interest and principal payments, and (iii) illiquidity risk – the inability to sell a bond promptly prior to maturity with minimal loss of principal. Please see “Methods of Analysis, Investment Strategies and Risk of Loss” in this Part 2A Brochure for additional information.

**Reports:** In addition to the at least quarterly statements and confirmations of transactions that these clients receive from Raymond James, the asset manager(s) selected by MWM to

manage the client’s portfolio(s) within our the Program provides the client with periodic written performance reports. Clients have online access to account information if they choose to register.

## **FINANCIAL PLANNING SERVICES REVIEWS**

**Reports:** Financial Planning have access to their various reports online and on-demand. Financial plan projections and other financial planning documents may be printed or uploaded electronically to the client’s electronic document vault for access. Financial planning reports will not typically be provided unless otherwise contracted for.

## **TAX CONSIDERATIONS**

Unless specifically noted, tax efficiency is not a primary consideration in the management of accounts offered by Raymond James through the RJCS, Freedom, Freedom UMA and Russell managed account programs. As such, strategies and investments utilized may have unique and significant tax implications. If tax considerations are a primary concern, we recommend consulting with a tax professional prior to investing.

### Financial Transaction Taxes

In 2012, multiple foreign governments began imposing financial transaction taxes on transactions in certain securities connected with the respective country. The taxes are charged to the financial services firm that executes the trade, regardless of where the investors or firms are located. Although each of the countries adopting financial transaction taxes uniquely defines which securities transactions are eligible for the tax and the amount of the tax, it is likely that the financial transaction taxes will apply to trades in an increasing number of securities of foreign issuers, as well as U.S.-issued American Depository Receipts (ADRs) for foreign securities, and potentially by U.S. state governments that are considering applying similar taxes.

Beginning in August 2013, Raymond James passes each assessed financial transaction tax on to affected client accounts. The amount of the tax will be reported on client trade confirmations. Clients should understand that international or global investment disciplines may invest in securities subject to these transaction taxes.

A list of the securities transactions that will be subject to financial transaction taxes is available from your financial advisor, or can be viewed at <http://www.raymondjames.com/transactiontaxes.htm>. This web page will be updated as foreign countries or other governments implement new financial transaction taxes or modify existing financial transaction taxes.

**IRS Circular 230 Disclosure:** MWM, its affiliates, agents and employees are not in the business of providing tax, regulatory, accounting or legal advice. This brochure and any tax-related statements provided by MWM and Raymond James are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax

advisor

#### Item 14 Client Referrals and Other Compensation

As part of its fiduciary duties to Clients, MWM endeavors at all times to put the interests of its advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by MWM [or its related persons and affiliates] in and of itself creates a conflict of interest.

In addition to the fee based compensation your IAR receives for providing advisory services, your IAR, acting as a registered representative of RJFS earns commission for transactional business in accordance with Raymond James Financial Services, Inc.'s published commission schedule. At the conclusion of each year, qualifying advisers are awarded membership in the RJFS's recognition clubs. Qualification for recognition clubs is based upon a combination of the adviser's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs.

From time to time MWM receives compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as mutual funds, insurance companies and annuity sponsors. Such sponsorships are used primarily for client education and appreciation events.

If you choose to use your IAR in their individual capacity as an insurance agent, the individual IAR will receive a commission.

In June 2018, Raymond James began converting existing advisory fee-eligible mutual fund positions in Ambassador, Passport, and IMPAC Program accounts to a specific mutual fund share class ("wrap recommended share class") in an effort to provide advisory clients with lowest cost share class available through Raymond James. This conversion does not apply to non-wrap eligible, non-billable positions such as C shares or other back end load shares that may be held in a client's Ambassador, Passport, or IMPAC account and not eligible for advisory fee billing. Raymond James will perform ongoing quarterly maintenance conversions to ensure the wrap recommended share class has been selected for the client's account. These share class conversions are non-taxable events, and clients' cost basis will carry over to the new wrap recommended share class. Raymond James has established conversion processes to exchange class C shares to a lower cost share class once the class C shares have been held for at least one year or are otherwise no longer subject to the fund company's contingent deferred sales charge (or CDSC, which is typically 1% of the amount invested). The one year holding period is the required minimum holding period typically established by fund companies before they become eligible for exchange to another share class without being subject to the CDSC. However, certain funds may require that investors hold the Class C shares greater than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts will automatically be exchanged, on a tax free basis, to the recommended share class by Raymond James on a quarterly basis. For example, a client

that holds \$50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to their Ambassador account will not be assessed an advisory fee for 6 months, although the shares will be subsequently exchanged by Raymond James to the recommended share class the month after they are CDSC-free, at which point the newly exchanged shares will be subject to advisory fees.

Investments held in Ambassador Accounts may be comprised of mutual fund shares only (both load-waived and no-load funds may be utilized), individual equity and fixed income securities, or a combination of mutual fund shares and individual securities. With respect to load funds, only the wrap recommended share class of such funds for which the mutual fund sales charge has been waived, may be purchased and charged an advisory fee in these programs. Clients may hold fund shares in a fee-based Ambassador account that were originally purchased in a commission-based account and assessed a front-end load at Raymond James. However, Raymond James will designate these shares as Administrative-Only assets for two years from their original purchase date, and no advisory fee will be charged on these assets during this period. Likewise, structured investments such as market-linked notes and market-linked certificates of deposit, as well as unit investment trusts assessed an upfront commission will be designated as Administrative-Only assets, and no advisory fees will be assessed for two years from their original purchase date. This two year exclusion period (or "Two Year Rule") has been implemented by Raymond James to avoid clients being assessed both a load or commission, and an advisory fee on the same asset, but only applies to those above mentioned securities that were purchased through Raymond James.

In the event a client purchased a share class designated as Administrative-Only (or "ineligible") that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided the client held the ineligible share class at least one year before converting to an eligible share class and the original load was 1.05% or less. Clients should understand that this Two Year Rule may create a financial incentive for their financial advisor to recommend the client exchange to an advisory fee-eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by requiring that the C shares must be held for at least one year before they will be allowed to be exchanged for A shares, where the load associated with C shares is typically 1%. The Two Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%.

It is MWM'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. As part of our employee compensation package, incentive bonuses may be allocated based on successful completion of a variety of goals including new client relationships.

MWM does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Additionally, the firm does not direct brokerage transactions to any third party in return for client referrals.

### Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As a registered broker-dealer, Raymond James generally maintains custody of your securities and other assets, unless you and Raymond James otherwise mutually agree. As custodian (if applicable), Raymond James will deliver, not less than quarterly, a brokerage statement to you detailing your account's securities holdings, cash balances, dividend and interest receipts, account purchases and sales, contributions and distributions from the account and the realized and unrealized gains or losses associated with securities transactions effected in your account. This information is also available to you online at: <https://investoraccess.rjf.com/>

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because Raymond James does not calculate the amount of the fee to be deducted for IMPAC accounts, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

MWM does not have actual or constructive custody of client accounts. Clients may have standing letters of authorization on their accounts. The Firm has reviewed those relationships and determined that they meet the IAA no action letter seven conditions and do not trigger the surprise custody audit.

### Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell; and/or
- Determine the timing to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. We cannot take possession of funds or securities.

### Item 17 Voting Client Securities

#### Proxy Voting

MWM does not accept authority to vote client securities in connection with any of the services described in this Brochure.

### Item 18 Financial Information

MWM has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

MWM not been the subject of a bankruptcy petition at any time during the past ten years.

#### OTHER CONSIDERATIONS:

##### **Business Continuity**

MWM has adopted a business continuity strategy that provides for the continuation of business critical functions in the event its headquarters become partially or totally inaccessible, or a technical problem occurs affecting its applications, data centers or network. The recovery strategies MWM employs are designed to limit the impact on Clients from such business interruptions or disasters. Although MWM has taken reasonable steps to develop and implement detailed business continuity plans, unforeseen circumstances may create situations where MWM is unable to fully recover from a significant business interruption. However, MWM believes its planning and implementation process reduces the risk in this area.

##### **Confidentiality**

Protecting client privacy is very important to MWM. MWM views protecting its clients' private information as a top priority. Pursuant to the requirements of the Gramm-Leach-Bliley Act, MWM has instituted policies and procedures to ensure that customer information is kept private and secure. MWM does not disclose any non-public personal information about its clients or former clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, MWM may share some information with its service providers, such as, but not limited to, transfer agents, custodians, broker/dealers, accountants, and lawyers.

MWM restricts internal access to non-public personal information about its clients to those employees who need to know that information in order to provide products or services to the client. MWM maintains physical and procedural safeguards that comply with federal standards to guard a client's non-public personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be MWM's policy never to sell information about current or former customers or their accounts to anyone. It is also MWM's policy not to share information unless required to process a

transaction, at the request of MWM customer, or as required by law.

A copy of MWM's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, MWM will deliver a copy of the current privacy policy notice to its clients prior to changing its sharing practices.

**Part 2B of Form ADV: *Brochure Supplement***

McGee Wealth Management, Inc. (formerly

McGee Financial Strategies, Inc.)

12455 SW 68th Avenue

Portland, OR 97223

Telephone: (503) 597-2222

Website: [www.mcgeewm.com](http://www.mcgeewm.com)

**Supervised Persons**

Judith A. McGee, L.H.D., CFP®, ChFC, CRD Number: 861504

D. Linette Dobbins, CFP®, CRD Number: 1490054

Jennifer Currin Gutridge, CFP®, CRD Number: 2352775

Theresa M. Bedard, CRD Number: 5193942

Sarah E. Berry, CRD Number: 4461648

Joel Robert Schierman, CRD Number: 6795982

February 27, 2020

This brochure supplement provides information about Supervised Persons that supplements the McGee Wealth Management, Inc. brochure. You should have received a copy of that brochure. Please contact Linette Dobbins if you did not receive McGee Wealth Management's brochure or if you have any questions about the contents of this supplement.

Additional information about the Supervised Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational, Background and Business Experience

**Full Legal:** Judith A. McGee

**Born:** 1942

### **Education**

Warner Pacific College, Honorary Doctorate of Humane Letters (1993)  
Series Examination 1 (1979)  
Series Examination 7 (1981)  
Series Examination 24 (1982)  
Series Examination 63 (1984)  
Series Examination 65 (1999)  
Series Examination 51 (2003)

### **Designation**

Certified Financial Planner, CFP® (1979)  
Chartered Financial Consultant, ChFC® (2005)

### **Business Experience**

(11/1988 – Present) McGee Wealth Management, Inc. (formerly McGee Financial Strategies, Inc.), CEO.  
(11/1989 – Present) Raymond James Financial Services, Inc., Registered Principal

**Full Legal:** D. Linette Dobbins

**Born:** 1964

### **Education**

Grays Harbor Community College (1985-1986)  
University of Phoenix (2001-2003)  
Series Examinations 7 and 63 (1990)  
Series Examination 24 (1995)  
Series Examination 65 (1999)

### **Designation**

Certified Financial Planner, CFP® (2000)

### **Business Experience**

(11/1988 – Present) McGee Wealth Management, Inc. (formerly McGee Financial Strategies, Inc.), President/CCO.  
(06/1990 – Present) Raymond James Financial Services, Inc., Registered Principal

**Full Legal:** Jennifer Currin Gutridge

**Born:** 1972

### **Education**

Portland State University, BS, Social Sciences (1995)  
Series Examinations 7 and 63 (1999)  
Series Examination 66 (2002)

### **Designation**

Certified Financial Planner, CFP® (2008)

**Business Experience**

(1992 – Present) McGee Wealth Management, Inc., Executive Vice President

(03/1999 – Present) Raymond James Financial Services, Inc., Registered Representative

**Full Legal:** Theresa M Bedard**Born:** 1981**Education**

Seton Hall University, South Orange, NJ (2003)

Series Examinations 7 and 66 (2013)

Series Examination 24 (2014)

**Business Experience**

(2006 – Present) McGee Wealth Management, Inc.,

(05/2013 – Present) Raymond James Financial Services, Inc., Registered Representative

**Full Legal:** Sarah Elise Berry**Born:** 1981**Education**

University of Oregon, BS, Sociology/Business (2003)

Series Examinations 7 and 63 (2002)

Series Examination 24 (2007)

Series Examination 65 (2013)

SIE – Securities Industry Essentials Examination (2018)

**Business Experience**

(04/2019 – Present) McGee Wealth Management, Inc.,

(05/2019 – Present) Raymond James Financial Services, Inc., Senior Wealth Advisor

(07/2013 – 04/2019) Waddell & Reed, Market Director

(9/2002 – 11/2012) Raymond James Financial Services, Inc., Registered Representative

**Full Legal:** Joel Robert Schierman**Born:** 1994**Education**

George Fox University, BA, Business Marketing, Finance Minor (2017)

Financial Planner Qualified Professional (2018)

Series Examinations 7 and 66 (2019)

SIE – Securities Industry Essentials Examination (2019)

**Business Experience**

(05/2019 – Present) McGee Wealth Management, Inc., Investment Adviser Representative

(04/2017 – 05/2019) McGee Wealth Management, Inc., Client Service/Advisor Assistant

(04/2017 – Present) Raymond James Financial Services, Inc., Financial Advisor

(08/2016 – 04/2017) George Fox University, Student

(06/2016 – 09/2016) Pacific Office Automation, Sales Intern

05/2015 – 06/2016) Nike, Inc., Athlete

08/2014 – 05/2015) George Fox University, Student

### **Item 3            Disciplinary Information**

Supervised Persons have no reportable disciplinary history.

### **Item 4            Other Business Activities**

#### **A. Investment-Related Activities**

1. Supervised Persons are engaged in other investment-related activities.

Supervised Persons are Registered Representatives with Raymond James Securities, Inc., a registered broker-dealer, member FINRA and SIPC. In this capacity, Supervised Persons may recommend investment products and receive transactions commissions if products are purchased through the broker-dealer. Thus, a conflict of interest exists between the interests of Supervised Persons and those of the advisory clients, creating an incentive for her to recommend investment products based on the compensation received, rather than on a client's needs.

However, clients are under no obligation to act upon any recommendations of Supervised Persons or to effect any transactions through her if they decide to follow the recommendations (unless they have granted our firm discretionary investment authority). Supervised Persons do not limit their recommendations to products or services offered by the broker-dealer and ensures that all recommendations are appropriate for a client's specific needs. Clients have the option to purchase investment products recommended through other broker-dealers not affiliated with the Supervised Persons.

#### **B. Non Investment-Related Activities**

Supervised Persons are not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of their time.

### **Item 5            Additional Compensation**

Supervised Persons do not receive any economic benefit from a non-advisory client for the provision of advisory services. In addition to salary, supervised persons are eligible to receive 50% of the first year's advisory fee earned for any new business that they source.

### **Item 6            Supervision**

Judith A. McGee is responsible for all supervision and formulation and monitoring of investment advice offered to clients by D. Linette Dobbins. D. Linette Dobbins is responsible for all supervision and formulation and monitoring of investment advice offered to clients by Judith A. McGee. Either can be reached at 503-597-2222. Mrs. Dobbins reviews all employee personal securities transactions on a quarterly basis, leads investment committee meetings, oversees all material investment policy changes, and conducts periodic testing to ensure that client objectives and mandates are being met. Supervised Persons receive McGee Wealth Management's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.