

## FORM CRS – CLIENT RELATIONSHIP SUMMARY

### MEASURED RISK PORTFOLIOS, INC. March 30, 2022

Our firm, Measured Risk Portfolios, Inc. (“Measured Risk” or “Firm”) is an investment adviser registered with the Securities and Exchange Commission. We feel that it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account or relationship is right for you. There are free and simple tools available at [Investor.gov/CRS](https://www.investor.gov/CRS) | [Investor.gov](https://www.investor.gov) which also provides educational materials about investment advisers, broker-dealers, and investing.

#### What investment services and advice can you provide me?

We are an investment adviser and provide advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, foundations, trusts, and U.S. corporations, as well as other investment advisers. This document gives you a summary of the types of services we provide and how we are compensated.

##### Ask one of our financial professionals the following questions:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications?*
- *What do these qualifications mean?*

Our advisory services include Investment Management, Pension Consulting, Financial Planning & Financial Consulting. If you open an advisory account with our firm, we will meet with you to understand your current financial situation, existing resources, goals, and risk tolerance. Based on what we learn, we will recommend a portfolio of investments that is monitored at least quarterly, and if necessary, rebalanced to meet your changing needs, goals, and objectives. We offer you advice on a regular basis (except for accounts referred by external advisors) and contact you at least annually to discuss your portfolio. You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a “discretionary account”) or we will give you advice and you decide what

investments to buy and sell (a “non- discretionary account”). We specialize in strategies that utilize options contracts on traded stocks, Exchange Traded Products (ETPs) and certain indices. Our firm imposes certain minimums that are designed to integrate with the use of options. Not all accounts utilize options, so some accounts do not have minimum requirements. Financial Planning & Consulting is also offered as a separate service for an additional flat and/or hourly fee. We do not monitor your investments for the Financial Planning & Consulting service. Clients who have a certain minimum account balances are typically offered Financial Planning & Consulting services at no additional cost. Clients can typically terminate our services by providing written notice to our firm. Additional information about our advisory services is located in **Item 4, 6, 8, and 16 of our Form ADV Part 2A Brochure**, available by clicking [here](#).

#### What fees will I pay?

We are compensated by asset-based fees or performance-based fees. Our annual asset-based fee schedule is blended, with a maximum rate of 2.0% per year on the first \$250,000 of assets with the lowest rate of 1.10% for assets over \$2,000,000. These fees are assessed quarterly, in advance, based upon a percentage of assets under management as of the close of business on the last business day of the preceding calendar quarter. Our minimum account size is \$250,000

##### Ask one of our financial professionals the following questions:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

and may be waived at our sole discretion. Pension consulting fees typically range from 0.25% to 1.0% of the assets under management of the plan. Financial planning fees are on a flat or fixed rate at \$2500. Financial consulting fees are generally charged on an hourly rate at \$250.

Some investments (such as mutual funds and ETPs) impose additional fees that will reduce the value of your investment over time. Also, with certain investments, you can have to pay fees such as “short term redemption fees” which means that you will pay additional fees when you sell an investment within a short period of time. Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the

amount of assets in your account. You will also pay a transaction fee when we buy and sell an investment for you and these can differ between individual stocks, mutual funds and ETPs. You can also pay fees to a broker-dealer or bank that will hold your assets (called “custody”). The more assets you have in the advisory account, including cash, the more you

will pay us. This presents a conflict of interest as we have an incentive to increase the assets in your account in order to increase our fees. You will pay an asset-based fee quarterly even if you do not buy or sell.

Performance-based fees are only available to certain clients, at their own election, who meet criteria established by the Securities and Exchange Commission (SEC). Asset-based fees are charged whether you gain or lose money on your investments. Performance Based Fees are only charged when your account value, adjusted for deposits and withdrawals, but not fees or transaction costs, reaches a new “high water mark” or a new high in the net asset value of the account. As a result, you can pay fees on unrealized appreciation. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. This and other important disclosures regarding our fees to include performance-based fees can be found in **Item 5, 6 and 7 of our Form ADV Part 2A Brochure** by clicking [here](#).

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you

**Ask one of our financial professionals the following questions:**

- *How might your conflicts of interest affect me, and how will you address them?*

understand what this means. We are held to a fiduciary standard that covers our entire investment advisory relationship with you. For example, we are required to monitor your portfolio, investment strategy, and investments on an ongoing basis. We do not make additional money by recommending certain investments over others

because we do not have proprietary products or relationships. Our asset-based fees present a conflict, as the more you grow your account, the more you will pay in fees. Our performance-based fees might incentivize us to make more aggressive investments than other similarly situated client accounts. Some of our firm’s financial professionals are licensed insurance agents for our DBA Kingsroad Financial & Insurance Services our affiliate and insurance agency. As such, they may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest exists as these insurance sales create an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on your needs. For more detailed information about our conflicts of interest can be found in **Item 10, 11, and 12 of our Form ADV Part 2A Brochure**, please click this link [here](#).

**How do your financial professionals make money?**

Our financial professionals are compensated based on a portion of the revenue the firm earns from the fees collected on the client assets they manage. This creates a conflict of interest because our financial professionals have an incentive to encourage you to increase your assets in your account and recommend our advisory services to you.

**Do you or your financial professionals have legal or disciplinary history?**

Yes. We do have any legal or disciplinary actions to report as a firm or for our affiliated associates. Please go to [Investor.gov/CRS](https://www.investor.gov/CRS) | [Investor.gov](https://www.investor.gov) for a free and simple search tool to research us and our financial professionals.

**Ask one of our financial professionals the following questions:**

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

**Additional Information**

**Ask one of our financial professionals the following questions:**

- *Who is my primary contact person? Is he or she a representative of an investment adviser or broker – dealer?*
- *Who can I talk to if I have concerns about how the person is treating me?*

You can find additional information about your investment advisory services and request a copy of the relationship summary at (858) 935 - 1125 or to see our Form ADV Brochure please click the link [here](#) .

## EXHIBIT A

### FORM CRS CLIENT RELATIONSHIP SUMMARY MEASURED RISK PORTFOLIOS, INC March 30, 2022

#### SUMMARY OF MATERIAL CHANGES

##### Item 2: What investment services and advice can you provide me?

- Clarified whom the firm provides advisory services: individuals, high net worth individuals, corporate pension and profit-sharing plans, foundations, trusts and U.S. corporations, as well as other investment advisors.
- Clarified advisory services: Investment Management, Pension Consulting, Financial Planning and Financial Consulting.
- Added that clients can terminate services by providing written notice to the Firm.

##### Item 3A: What fees will I pay?

- Clarified fees: annual asset-based fee schedule is blended, with a maximum of 2.0% per year on the first \$250,000 of assets with the lowest rate of 1.10% for assets over \$2,000,000. These fees are assessed quarterly, in advance, based upon a percentage of assets under management as of the close of business on the last business day of the preceding calendar quarter. Our minimum account size is \$250,000 and may be waived at our sole discretion. Pension consulting fees typically range from 0.25% to 1.0% of the assets under management of the plan. Financial planning fees are on a flat or fixed rate at \$2500. Financial consulting fees are generally charged on an hourly rate at \$250.

##### Item 3B: What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

- Added that certain financial professionals with the Firm are also licensed insurance agents with our affiliate and insurance agency; Measured Risk Portfolios, Inc. DBA Kingsroad Financial & Insurance Services. This presents a conflict of interest because financial professionals with our Firm have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on your needs.

##### Item 3C: How do your financial professionals make money?

- Added that our financial professionals are compensated based on a portion of the revenue the firm earns from the fees collected on the client assets they manage. This creates a conflict of interest because our financial professionals have an incentive to encourage you to increase your assets in your account and recommend our advisory services to you.

##### Item 4: Do you or your financial professionals have legal or disciplinary history?

- Updated No to Yes.



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March 30, 2022

This brochure provides information about the qualifications and business practices of Measured Risk Portfolios, Inc. If you have any questions about the contents of this brochure, please contact us at (858) 935-1125. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Measured Risk Portfolios, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Measured Risk Portfolios, Inc. is 141422.

Measured Risk Portfolios, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.



## Item 1: Cover Page

Please refer to previous page.

## Item 2: Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 31, 2021, we have the following material changes to report:

We clarified and updated our entire brochure with an emphasis on the following sections:

- a) Item 4 – Advisory Business (we modified our services to include Investment Management to include sub-advisory services, Pension Consulting Services, Financial Planning, and Financial Consulting Services);
- b) Item 5 – Fees and Compensation (we clarified our financial consulting services fees to include our arrangement with Mutual Securities; we added additional disclosure language relating to IRA Rollover considerations);
- c) Item 10 – Other Financial Industry Activities and Affiliations (we enhanced our conflicts of interests)
- d) Item 12 – Brokerage Practices (we enhanced our conflicts of interests)
- e) Item 13 – Review of Accounts (we clarified our review process conducted by Messrs. Kriesmer and Surovsky and assisted by Sarah Lucas Stallins);
- f) Item 15 – Custody (we added disclosure language relating to SLOAs)
- g) Item 19 – Additional Information (we added disclosure language relating to privacy, trade errors, and class action matters).



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## **Item 4: Advisory Business**

### **A. Description of Firm**

Measured Risk Portfolios, Inc. is a registered investment adviser based in San Diego, California. We are organized as a corporation under the laws of the State of California. We have been in the advisory business since 2007. Larry Kriesmer and Bernard Surovsky are the owners of the firm. Currently, we offer the following investment advisory services, which are personalized to each individual client:

1. Portfolio/Investment Management Services
2. Pension Consulting Services
3. Financial Planning Services
4. Financial Consulting Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our", "MRPI" and "us" refer to Measured Risk Portfolios, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this Brochure. As used in this Brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### **B. Description of Advisory Services Offered**

#### **1. Investment Management Services**

MRPI provides ongoing discretionary management services to our advisory clients with managed accounts. The Firm utilizes both in-person meetings and/or telephonic interviews with the clients to gather information regarding each client's overall investment objectives, goals, and risk tolerance to help determine the appropriate model portfolio for the client's managed account assets. It is of beneficial interest to the advisory client to provide accurate and candid information and promptly inform the IAR of any material changes in their circumstances so the IAR can evaluate if investment adjustments to the client's managed account(s) are necessary. The Firm does not and will not assume responsibility for the accuracy of the information provided by the client. Advisory clients may impose restrictions on investing in certain securities or types of securities in their managed accounts.

Client managed account assets are then invested and managed based on a model portfolio of securities that appears to be most suitable to the client's investment objectives and strategy determined for those account assets. While we will customize the model portfolios, for example to help ensure suitability and/or to incorporate client restrictions, several clients will be invested in the same or similar model portfolios at any given time. MRPI will not maintain custody of client assets, which will typically be held by a qualified and independent custodian. Please refer to Item 15 for further information on custody.





MRPI offers four model portfolio strategies. The Firm's primary investment strategy, the "Measured Risk Portfolio" or MRP, is structured for risk mitigation through the use of short duration fixed income investments (e.g., bonds and money market funds) paired with purchased call options tied to the S&P 500 index. Another model portfolio strategy offered is the "Consumer Linked Income Portfolio" or CLIP, which utilizes a basket of stocks with a concentration in Consumer Staples that have a history of rising dividends. The third model portfolio strategy is the "Managed Volatility Portfolio", which is speculative in nature. Similar in structure to MRP, the S&P 500 index is replaced with inverse movement of the CBOE Volatility Index ("VIX") with the majority of the portfolio invested in short duration fixed income and the remaining in derivatives. A derivative, primarily an option, is a contract to buy or sell a specific financial product officially known as the option's underlying instrument or underlying interest. For equity options, the underlying instrument is a stock, exchange-traded fund ("ETF"), or similar product. The contract itself is very precise. It establishes a specific price, called the strike price, at which the contract may be exercised, or acted on. It also has an expiration date. When an option expires, it no longer has value and no longer exists. Options come in two varieties, calls, and puts, and you can buy or sell either type. The Firm decides whether to buy or sell and whether to choose a call or a put - based on investment strategy. Additional information on options can be found on the web at [www.optionseducation.org](http://www.optionseducation.org). Tax accounting for options may be complex and may require the assistance of a qualified tax adviser.

The three model portfolio strategies referenced above are collectively referred to herein at times as the "MRP Core Strategies".

MRPI also offers the Mutual Fund Strategy ("MFS") for clients that have accounts that are generally too small for the MRP Core Strategies or as otherwise dictated by the client's investment goals and objectives. The MFS consists of investments in certain mutual funds (including exchange traded funds ("ETFs")) that typically provide an overall balanced investment approach.

Further detail on the MRP model portfolio strategies, including the risks pertaining to such strategies and their underlining securities, is outlined below in this brochure under the heading "Item 8: Methods of Analysis, Investment Strategies and Risk of Loss".

MRPI may also enter into sub-advisory agreements with other non-affiliated independent registered investment advisers ("RIAs") who wish to engage the Firm to manage the holdings in their client's portfolios. In these arrangements, usually both MRPI and the RIA will be granted dual trading authority. MRPI will have discretionary investment authority over the portion of the client's assets designated to MRPI and will manage those assets based on the selected model portfolio strategy and any written client restrictions communicated to MRPI. All agreed upon terms shall be provided in the MRPI-RIA Agreement.

## **2. Pension Consulting Services**

MRPI offers pension-consulting services to qualified and non-qualified retirement and deferred compensation plans. In general, the services are selected by the client and can include the review and/or development of an Investment Policy Statement ("IPS"); analysis, review and recommendation of investment selections; asset allocation advice; communication and education services where MRPI assists the plan sponsor in providing meaningful information regarding the retirement plan to its





participants; investment performance monitoring, and/or ongoing consulting. The plan fiduciary always has the right to seek independent advice about the appropriateness of any recommended services for the plan.

**Status:** MRPI is registered as an investment adviser under the Investment Advisers Act of 1940 and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA. In performing fiduciary services, it is acting as a fiduciary of the Plan as defined in Section 3(21) under the Employee Retirement Income Security Act (“ERISA”) for purposes of providing non-discretionary investment advice only.

### **3. Financial Planning Services**

MRPI provides personal financial plans consistent with a client’s financial status, investment objectives, risk tolerance and tax status. Depending on a client’s needs, the financial plan can include information regarding retirement planning, education planning, planning for major purchases, estate planning, and personal insurance needs analysis including life, health, long-term care and disability coverage.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

For clients who also engage MRPI for Investment Management Services, MRPI has in the past, and may in the future reduce or waive financial planning fees, in the Firm’s sole discretion.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **4. Financial Consulting Services**

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. This service also includes an arrangement that MRPI entered with Mutual Securities, Inc. (“Mutual Securities”) (CRD#13092) an independent broker-dealer located in Camarillo, California. There is no employee or agency relationship between Mutual Securities and MRPI nor are we affiliated with Mutual Securities. In this relationship, MRPI contracts directly with Mutual Securities as an advisory client of MRPI for the benefit of providing financial consulting services to Mutual Securities.

## **C. Information Related to the Firm’s Services**

### **1. Restrictions/Guidelines Imposed by Clients**

Clients with managed accounts may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. All such guidelines and restrictions must be communicated to



MRPI in writing. There may be times when certain restrictions are placed by a client, which prevents the Firm from accepting or continuing to manage the account. The Firm reserves the right to not accept and/or terminate management of a client's account if it feels that the client's-imposed restrictions would limit or prevent the Firm from meeting and/or maintaining its investment strategies.

## **2. Information Received by Individual Clients**

The Firm will not assume responsibility for the accuracy of the information provided by the client. The Firm is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying the Firm in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies the Firm of changes in the client's financial circumstances, the Firm will review such changes and recommend any necessary revisions to the client's portfolio.

## **3. Agreements and Disclosures**

Prior to engaging the Firm to provide investment advisory services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services (collectively the "Agreement"). In accordance with applicable laws and regulations, the Firm will provide a Brochure (this Form ADV Part 2A and Part 3 or Form CRS) and one or more brochure supplements (Form ADV Part 2Bs) to each client or prospective client prior to or contemporaneously with the execution of an Agreement. The Agreement between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement, typically upon written notice to our Firm. Neither the Firm nor the client may assign the Agreement without the consent of the other party. An advisory client will have a period of five (5) business days from the date of signing the Agreement to unconditionally rescind the Agreement and receive a full refund of all fees due the Firm. Account values may change during such time and MRPI does not guarantee the value of the client's account. Ticket charges or transaction fees will not be refunded.

## **D. Participation in Wrap Programs**

The Firm does not participate in any wrap programs at this time.



#### **E. Assets under Management or AUM**

As of December 31, 2021, the following represents the amount of *regulatory assets under management* by the Firm on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$259,110,901.99
Non-Discretionary	\$3,003,242.34
<b>Total:</b>	<b>\$262,114,144.33</b>

#### **F. Assets Not Continuously Managed or Under Advisement**

MRPI also provides financial investment advice for assets that are *not continuously managed* by the Firm. As of December 31, 2021, the following represents the amount of assets not continuously managed by MRPI:

Type of Account	Assets Not Continuously Managed or Under Advisement
Individual	\$25,430,532.89
Pension and other Profit Sharing Plans	\$16,438,900.86
<b>Total:</b>	<b>\$41,869,433.75</b>



## Item 5: Fees and Compensation

MRPI charges fees based on the particular type(s) of advisory service to be provided. The specific fees charged by MRPI for such services will be set forth in each client's written Agreement. Although the Firm believes its fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

### A. Advisory Fees

#### 1. Investment/Portfolio Management Fees

Typically for its investment management services, MRPI will receive an annual investment management fee, assessed quarterly, that is based upon the value of a client's asset under management (including cash and cash equivalents). Fees are negotiable and billing methods will vary depending upon the type of strategy employed and underlying securities held within a particular strategy in accordance with the following:

##### a. Fees for MRP Core Strategies

Fees for MRPI's Core Strategies (as defined in Sections 4 and 8) are outlined in the table below and may be negotiated, at the sole discretion of MRPI, based on client objectives, Core Strategy employed and complexity of management.

	<i>Quarter Balance:</i>	<i>Annual Fee</i>	<i>Maximum Tier Fee</i>	<i>Total Fee</i>	<i>Effective Fee</i>
<i>First</i>	\$250,000	2.00%	\$5,000	\$5,000	2.00%
<i>Next</i>	\$250,000	1.85%	\$4,625	\$9,625	1.93%
<i>Next</i>	\$250,000	1.60%	\$4,000	\$13,625	1.82%
<i>Next</i>	\$250,000	1.35%	\$3,375	\$17,000	1.70%
<i>Next</i>	\$1,000,000	1.20%	\$12,000	\$29,000	1.45%
<i>Next</i>	<i>Unlimited</i>	1.10%	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

These investment management fees are assessed quarterly, in advance, based upon a percentage of the client's assets under management as of the close of business on the last business day of the preceding calendar quarter. Assets under management includes cash holdings in client accounts but is not inclusive of accrued interest or dividends.

Our minimum account size is \$250,000 and may be waived at our sole discretion.

For purposes of valuing a client's assets under management ("AUM") for fee calculation purposes, MRPI will aggregate the client's AUM values of a household, which includes husband, wife, domestic partner, and minor children. We also will include managed accounts of adult children, if agreed to by both parties. This aggregation can lower the applicable fee assessed by MRPI based on our tiered rate fee schedule shown above.



Upon receiving written authorization from the client, contained in the Agreement signed by the client, the Firm's investment management fees will be invoiced for payment or deducted from the client's account by the client's custodian upon receipt of a billing statement from MRPI and paid directly to MRPI following the end of each applicable period. The Firm's fees will be prorated for each addition or withdrawal to account assets made during the applicable calendar quarter (with the exception of de minimis contributions of less than 5% of account value). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days the account was open during the calendar quarter.

You may terminate the investment/portfolio management agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the investment/portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

The custodian delivers an account statement to the client at least quarterly, but generally monthly, showing all disbursements, including advisory fees, deducted from the account. These statements are delivered by electronic or paper methods based upon the client's specification. Clients who elect paper statements may be charged more by the custodian for transaction charges. The client is encouraged to review all account statements for accuracy.

**b. Fees for Mutual Fund Strategy**

Fees for MRPI's Mutual Fund Strategy ("MFS"), as defined in Sections 4 above and 8 below, will be assessed an annual fee of 0.75% of a client's assets under management invested in MFS.

MRPI typically includes mutual funds sponsored and managed by American Funds Service Company ("AFS") within MFS (such securities shall be referred to as "AFS Funds"). In such instances, MRPI's fee attributable to client assets invested in AFS Funds will be calculated by AFS for each quarterly period ending the last business day of February, May, August and November. MRPI's fees shall be calculated by MFS based on (i) the average daily net asset value of client assets invested in shares of AFS Funds during the quarter; (ii) the number of days in the quarter; and (iii) the 0.75% fee rate divided by the number of days in the year. MRPI's fees shall be paid directly by AFS to us within thirty (30) days following the end of the quarter for which such fees are payable.

**c. Sub-advisory Arrangement and Fees**

Sub-advisory agreements are evidenced in writing between the referring RIA and the Firm. MRPI provides such services for a fee, which is based upon a percentage of the assets that the referring RIA has allocated to MRPI for investment management. While such fees will vary, they are normally less than one percent (1%) per year of the assets under management. Dependent upon the agreement between the parties, MRPI will either bill the referring RIA directly or submit an aggregate billing for payment. Whether or not such fees are billed in advance or arrears, as well as whether they are based on the value of the client's account on the last business day of the previous calendar quarter as opposed to an average daily balance of the account over the course of a billing period, will also depend upon the agreement between the parties. Such billing practices will be disclosed to the client in writing prior to assessing fees.



#### **d. Additional Information such as Margin Accounts and Fee Changes**

In order to accommodate client requests, the Firm will at times utilize margin in client accounts (please refer to Item 8 below for detailed information regarding the risks surrounding margin). When utilizing margin strategies as part of a client's portfolio account, the Firm uses the "net asset value" of the client's margin accounts for determining fees. Thus, fees are only charged on the amount of assets in the underlying client account, not the margin portion of the account. For example, in an account holding \$100K in equities, but \$25K is attributable to margin loan, the net \$75K will be included when determining fees.

MRPI may amend its standard fee schedules at any time by giving thirty (30) days advanced written notice to clients. Should a client have more than one account managed by the Firm, MRPI will aggregate the client's accounts for the purpose of computing management fees.

MRPI reserves the right to waive or reduce any account minimums, management fee and/or performance fee (as described below) with respect to any client, or with respect to any of the Firm's employees and/or family members. In addition, the Firm has clients with different fees, including lower fees, and may negotiate fees with future advisory clients that are different than the fees discussed herein. Some of the factors relevant to charging different fees to those fees stated herein are: account size, the investment strategy and the nature of the relationship between the potential client and the Firm.

#### **2. Pension Consulting Fees**

The Firm's pension consulting fees typically range from 0.25% to 1.0% of the assets under management of the plan. The pension consulting fees are calculated by the plan sponsor in accordance with the written agreement between the plan client and MRPI and paid to MRPI. Fees are negotiable and although MRPI believes its pension consulting fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

You may terminate the pension consulting services agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

#### **3. Financial Planning Fees**

MRPI offers financial planning services on a flat rate for a comprehensive written plan. Our fixed fee is generally \$2500. Annual updates are offered to comprehensive plans, generally at half of the original fee.

Fees are due upon completion of services rendered and are negotiable.

For clients who also engage MRPI for Investment Management Services, MRPI has in the past, and may in the future reduce or waive financial planning fees, in the Firm's sole discretion.



You may terminate the financial planning agreement by providing written notice to our firm. You will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

#### **4. Financial Consulting Fees**

We charge an hourly fee of \$250 for financial consulting services and payable as invoiced.

For our arrangement with Mutual Securities our consulting fee is charged as an annual fee-based fee typically 0.25% basis points or bps of the account value payable quarterly as discussed above under investment/portfolio management services.

You may terminate the financial consulting agreement by providing written notice to our firm. If you have pre-paid financial consulting fees that we have not yet earned, you will receive a prorated refund of those fees. If financial consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial consulting agreement.

#### **5. Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

#### **6. Compensation for the Sale of Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. Please refer to Item 10 below for more information.





## **7. IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.



5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.



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

The Firm offers a performance fee arrangement with qualified clients investing in one or more of MRPI's Core Strategies. A qualified client is either (1) a client with a minimum of \$1,100,000 invested with the Firm, or (2) a client with a minimum net worth, exclusive of home equity, of \$2,200,000. Such fees are subject to individualized negotiation with each such client. The Firm will structure any performance fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance fees, the Firm shall include realized and unrealized capital gains and losses. Fees are contingent on "Net Account Growth," so unless the account balance increases from a prior "high-water mark," the performance fees are waived. MRPI does not aggregate account values for purposes of determining the high-water mark. Fees are calculated monthly in arrears and are due on the first day of the following calendar month. The initial account balance will always be zero with the initial high-water mark established by adding Client's contributions and transfers (as of the day in which such contributions/transfers are received). Thereafter, a new high-water mark is established whenever the account value (adjusted dollar for dollar on contributions and/or prorated for redemptions) on the last business day of the month is higher than the previous high-water mark. The Firm fees and trading costs will reduce the account value, but not the high-water mark.

The Firm will obtain the client's written authorization to directly debit performance-based fees from the client's account through the custodian. The Firm will send fee information to the client's custodian and a Fee Statement to the client showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. It is the client's responsibility to verify the accuracy of the fee calculation and to understand that the custodian will not determine whether the fee is properly calculated. The custodian will send to the client a statement, at least quarterly, but generally monthly, indicating all amounts disbursed from the account during the period including the amount of the advisory fees paid directly to the Firm.

In charging performance fees to client accounts, there exists a conflict as the Firm will receive greater fees from client accounts having a performance-based compensation structure than from those accounts where the Firm only charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the Firm has an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee. The Firm's side-by-side management of accounts that are charged an asset-based fee and accounts that are charged a performance-based fee is governed by the Firm's internal policies and procedures and Code of Ethics (see Item 11, below), which are designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent the conflicts described above from influencing the allocation of investment opportunities among clients. Performance-based fee structures also create an incentive for the Firm to over-value certain assets held by clients. To address this conflict, the Firm has adopted policies designed to promote fair, accurate and current valuations of securities and portfolios. The Firm utilizes, to the fullest extent possible, the most recent prices reported by the largest securities exchange on which such securities are traded and/or qualified custodians for timely valuation information for advisory client securities and portfolios.



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

MRPI provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, foundations, trusts, and U.S. corporations, as well as other investment advisers.

MRPI normally requires a minimum of \$250,000 to establish a new advisory account; however, the minimum has been in the past and may be in the future, reduced or waived entirely at the sole discretion of the Firm.



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

The Firm assists clients to determine appropriate MRPI Core Strategies, which are selected based on their overall investment objectives and needs. No assumption can be made that any particular strategy will provide better returns than other investment strategies. Before participating in any program or investing in any asset class, clients should discuss their tolerance for risk with their IARs and carefully consider the risks associated with the investment strategy by reviewing any applicable prospectus, offering memorandum or disclosure brochure prepared by the issuing company for the underlying investments. Equity securities markets experience varying degrees of volatility. Investing in securities involves risk of loss that clients should be prepared to bear. Short term trading strategies may impact performance when transaction costs are incurred.

### **A. Core Strategies**

The following “Core Strategies” may be employed at any time, on a discretionary basis, exclusively or in combination within client accounts based on client objectives:

#### **1. Measured Risk Portfolios Strategy (“MRP Strategy”)**

A majority of the MRP Strategy investments are in short duration, low volatility fixed income (bonds and money market funds) with a small (generally under 10%) allocation to purchased call options on the S&P 500 Index. The use of options allows a relatively small amount of capital to control a larger amount of notional market exposure, similar to the way that a \$100K down payment on a home can purchase \$500K of property. If the property rises in value, 100% of the gain is retained by the homeowner. And if the property declines, losses as a percentage of the down payment are amplified. Options have an equity component that is the difference between the underlying security value and the strike price of the option. In addition, the option has a time value component that will erode to zero at expiration of the contract. The Firm attempts to balance the cost of the time value erosion against the hedged defense options can provide to arrive at a better risk adjusted return than a direct investment in the market. The MRP Strategy is designed to experience positive returns in a rapidly rising market, while providing limited downside defense in a rapidly declining market. However, the strategy may perform relatively worse in a flat or slowly declining market than other available strategies. In a declining market, losses may be exaggerated until the index drops below the strike price of the option. It is highly probable that in a declining market, 100% of the option allocation will lose 100% of its value. In a rising market, the call options are rolled up to higher strikes to continually limit the amount of downside risk to the portfolio. In a rising market this can cause frequent trading that could generate significant short term trading profits and transaction costs. The majority of the portfolio is allocated to fixed income with a goal of earning a modest rate of return while preserving capital. Investors in the MRP Strategy should be seeking a hedged growth objective with significantly reduced downside risk relative to the broad US equity market.

Within the MPR Strategy there exist three asset allocation strategies: conservative, moderate and aggressive. The difference between the allocations rests on the percentage of client assets allocated to the option component. The conservative model has 25% less option exposure, while the aggressive model has 25% more option exposure with moderate as the baseline allocation. The allocation for a



particular client will depend upon the client's overall investment objectives, goals and risk tolerance and may be customized.

## **2. Consumer Linked Income Portfolio ("CLIP")**

CLIP attempts to generate rising income over time by investing primarily in consumer staples equities that have raised their cash dividend over time. Secondary income may be generated from fixed income investments as well as covered call and cash secured put option writing. The primary objective of the portfolio is to generate rising dividend income that can be distributed without liquidating principal over time. CLIP does not typically employ any hedging techniques and is concentrated in the consumer staples sector of the market. Investors in CLIP should be primarily concerned with growing income and less concerned with principal protection.

Within CLIP there exist two asset allocation strategies: Moderate and Core. CLIP Core typically holds little or no Fixed Income investments other than money market funds. Fixed income investments are added to Core holdings up to about 25% of assets to reduce volatility in the Moderate allocation. The allocation for a particular client will depend upon the client's overall investment objectives, goals and risk tolerance.

## **3. Managed Volatility Portfolio ("MVP")**

MVP attempts to generate aggressive growth by investing in derivatives related to the Chicago Board of Exchange Volatility Index (CBOE: VIX). The VIX is a highly volatile index and generally rises at times of market uncertainty or fear. It has been MRPI's observation that over time, the index will return to normal after spiking due to a market event. This return to normalcy, or reversion to the mean, may allow the MVP strategy to generate returns. Investors should note that such investing is highly risky, and investors can incur significant losses in the interim periods between times of market fluctuations and reversion to the mean. While MRPI attempts to mitigate these losses, investors in the MVP strategy should be prepared to weather drawdowns greater than 50% of the portfolio value in exchange for the opportunity to grow during profitable periods.

### **B. Mutual Fund Strategy**

MRPI manages a balanced Mutual Fund Strategy ("MFS") for client accounts that are too small for the Core Strategies stated above, or as otherwise dictated by the client's investment goals and objectives. MFS consists of a core group of funds with a longer time horizon, complimented by smaller allocations to style, and seeks targeted exposures and diversification by investing in mutual funds and ETFs which may include: global equities (growth, value, eclectic, small, mid and large cap); global bonds (government and corporate, ordinary notes and bonds) and U.S. stocks and bonds. The strategy's funds are chosen using the following criteria: past performance relative to its peer group, investment style and discipline, quality of fund management, and correlation with existing holdings.

### **C. Risks Associated with MRPI's Investment Strategies**

The following describes common characteristics of risk associated with specific types of investments that are utilized in our offered investment strategies.



- **Options:** An option is a contract to buy or sell a specific financial product officially known as the option's underlying instrument or underlying interest. For equity options, the underlying instrument is a stock, exchange-traded fund (ETF), or similar product. The contract itself is very precise. It establishes a specific price, called the strike price, at which the contract may be exercised, or acted on. It also has an expiration date. When an option expires, it no longer has value and no longer exists. Options come in two varieties, calls and puts, and you can buy or sell either type. Call contracts will expire worthless if the underlying security closes below the strike price on expiration. Put contracts will expire worthless if the underlying security closes above the strike price on expiration. Selling a covered call may limit the upside if the underlying security closes above the strike price on expiration. Special tax rules may apply, depending on the outcome. Prior to buying or selling an option, a person must read Characteristics and Risks of Standardized Options. Copies of this document may be obtained from us, from any exchange on which options are traded, on the web at <http://www.optionsclearing.com/components/docs/riskstoc.pdf> or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-888-678-4667). In no event will the Firm engage in “naked” option writing, which is the most speculative form of trading.

In order to trade options in accounts, a client must obtain margin approval for their account. Please note that using margin is not suitable for all investors; the use of margin increases leverage in a client's account and therefore increases overall risk.

All of the Firm's investment strategies can employ one or more of the following strategies:

- **Bond plus Call.** The bond plus call strategy attempts to mimic the behavior of a structured note or equity indexed annuity. By pairing a short duration bond (one year, for example) with an at the money LEAP option on an equity underlying (ETF or index, for example), the risk of loss is primarily limited to the bond issuer's ability to repay principal and interest at maturity over a relatively short period, and the expiration of the LEAP contract for zero value. Changes in interest rates during the bond holding period could cause the value of the bond to fall below what was invested resulting in a loss if sold prior to maturity. Potential return is unlimited due to the LEAP option ability to capture upside movement in the equity underlying over the term of the LEAP. Risk of loss can be increased or decreased depending on the percentage of Client account allocated to LEAP options. Fixed income mutual funds or bond ETFs may be used in lieu of individual bonds.
- **Protective Collar.** This strategy utilizes the purchase of put option contracts to provide a protective floor in the event that the selected underlying securities fall below a specified strike price during the term of the put. To offset all or a percentage of the cost of this protection, covered call writing is employed on less than 100% of the equity holdings in the portfolio. The protective puts will provide little to no protection if the value of the underlying merely falls to or near the strike price and the covered call will significantly reduce the potential return, especially in rapidly rising markets.





- **Cash Covered Put.** The cash covered put strategy generates income by selling (writing) put options at or near the market value of the underlying stock or ETF position. Downside may be mitigated by simultaneously purchasing a put on the same underlying with a strike below the sold put. This strategy will result in frequent trading and the recognition of taxable short-term gains and losses and is generally more suitable for qualified, tax deferred accounts.
- **Call and Put Spreads.** Spreads allow an investor to define, within precise levels, the risk and reward of a certain market movement. Writing (selling) a call spread can generate income on an existing position, forgo a specified amount of gain and then resume the gain at a higher price. Writing a put spread can generate income on a position you want to own but offload a portion of the risk if the security falls too far. Buying a call or put spread can reduce the cost of speculation on the direction of a security but will also limit the overall return if successful.
- **Margin:** When purchasing securities, the securities may be paid for in full, or it is possible to borrow part of the purchase price from the client's account custodian or clearing firm. If borrowing funds in connection with the client account, the client will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to the client. If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in the account. The brokerage firm may issue a margin call and/or sell other assets in your account. It is important that each client fully understand the risks involved in trading securities on margin, which are applicable to any margin account that clients maintain. These risks include the following: (i) the client can lose more funds than deposited in the margin account; (ii) the account custodian or clearing firm can force the sale of securities or other assets in the account; (iii) the account custodian or clearing firm can sell the client's securities or other assets without contacting the client; (iv) the client is not entitled to choose which securities or other assets in the margin account may be liquidated or sold to meet a margin call; (v) the account custodian or clearing firm may move securities held in a cash account to the margin account and pledge the transferred securities; (vi) the account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide the client advance written notice; and/or (vii) the client is not entitled to an extension of time on a margin call.
- **ETFs:** Exchange-Traded Funds (ETFs), like stocks and index funds, can carry a significant amount of market risk. The innate appeal of an ETF is that it represents many assets or companies, like an indexed mutual fund, but unlike a mutual fund that prices Net Asset Value on a daily basis, ETFs can be traded at any time during trading hours, like a stock. In addition, some ETFs can be protected using listed Options, and generate income from writing covered call options. **Special note on "geared" or "levered" ETFs:** Certain products may be employed in all portfolios that involve geared, levered or inverse direction to a related security or benchmark. These securities are typically used over short periods of time but they may be held for longer periods in certain circumstances. Because these securities have daily resets and compound, the effect of volatile markets may pronounce losses, especially over time. Investing in ETFs involves volatility and risk of losses that clients should be prepared to withstand.



- **ETNs:** Exchange Traded Notes (ETNs) are senior, unsecured debt securities issued by an underwriting bank. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer. ETNs are designed to provide investors access to the returns of various market benchmarks. The returns of ETNs are usually linked to the performance of a market benchmark or strategy, less fees. When a client buys an ETN, the underwriting bank promises to pay the amount reflected in the index, minus fees upon maturity. Thus ETN has an additional risk compared to an ETF, upon any reduction of credit ratings or if the underwriting bank goes bankrupt, the value of the ETN may be eroded or lost entirely.
- **Fixed Income Securities:** Fixed income investments tend to be more conservative than stocks however, clients should be aware that bonds and bond funds do carry some degree of risk including but not limited to interest rate, credit, inflation, pre-payment and reinvestment risks.
- **Stocks:** Stock investing carries substantial risks. The business itself might suffer from poor management. The industry could suffer a setback or become obsolete. Other investors may push the price beyond “reasonable” levels. There can be no assurance that the value of the stock will appreciate over time and could lose 100% of its value.
- **MLPs:** Master Limited Partnerships (MLPs) are a limited partnership with ownership units that may be traded on an exchange. A limited partnership consists of a general partner, who manages the venture, and limited partners, who simply provide capital. A master limited partnership allows limited partners to buy and sell units of the venture as if they were shares in a publicly-traded company. Limited partners often receive cash distributions, which are similar to dividends, on a regular basis. This business form combines the tax advantages of a partnership, which does not pay tax on its profit, with the liquidity of a publicly-traded company. The tax reporting requirements of an MLP may delay your ability to file your tax return early. It is also called a publicly traded partnership.
- **Mutual Funds:** The risk of owning a mutual fund generally reflects the risks of owning the underlying securities the mutual fund holds. Each mutual fund has different risks and rewards. Generally the higher the potential return, the higher the risk of loss. Further, when investing in a mutual fund, clients will bear additional expenses based on their pro rata share of the mutual fund’s operating expenses, including the potential duplication of management fees. Clients will also incur brokerage costs when purchasing mutual funds and may have to pay taxes on capital gains distributions received even if the fund goes on to perform poorly after the investor bought shares. Details of a particular mutual fund are available in the prospectus available from the issuer.
- **Money Market Funds:** Although Money Market Funds have relatively low risks, the NAV may fall below \$1.00 if the fund performs poorly therefore losses are possible. Details are available in the prospectus available from the issuer.

Some additional investment risks applicable to investing in securities that a client should be aware of



include, but are not limited, to the following:

- *Market Risk:* The price of a stock, bond, mutual fund or other security can 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.
- *Foreign Risk:* Investments in overseas markets (international securities) pose special risks, including currency fluctuation and political risks, and such investments can be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets.
- *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.
- *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.

**Although the Firm attempts to mitigate losses, investing in securities involves risk to principal that clients should be prepared to bear.**



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

Registered investment advisers such as the Firm are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Firm or the integrity of its management. The Firm does not have any such legal or disciplinary events.

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

In addition to being a registered investment adviser, MRPI is an insurance agency, licensed with the State of California (#0D73857) and doing insurance business under the DBA of Kingsroad Financial & Insurance Services. Certain associated persons of the Firm are also licensed insurance agents and provide insurance recommendations to MRPI clients, when deemed appropriate.

Our advisory services are separate and distinct from the compensation paid to our affiliate for their services. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

#### **A. Insurance License**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.



## **Item 11: Code of Ethics**

### **A. Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **B. Personal Trading**

MRPI anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Firm has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Firm, its affiliates and/or clients, directly or indirectly, have a position of interest. The Firm's employees and persons associated with the Firm are required to follow the Firm's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Firm and its affiliates trade for their own accounts from time to time in securities which are recommended to and/or purchased for the Firm's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the Firm's clients. In addition, the Code requires pre-clearance of certain transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between the Firm and its clients.

### **C. Participation or Interest in Client Transactions**

It is the Firm's policy that the firm will not affect any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.



## Item 12: Brokerage Practices

We will recommend that clients establish brokerage accounts with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade Institutional" or "TD Ameritrade"), among others, to maintain custody of clients' assets and to effect trades for their accounts. We are not affiliated with TD Ameritrade Institutional, or any other firm that we may recommended to you for custodial services. Clients are advised that there may be transaction charges involved when purchasing or selling securities. Our firm does not share in any portion of the brokerage fees/transaction charges imposed by TD Ameritrade Institutional, or other brokerage firms for custodial services. Additionally, the commission/transaction fees charged by these firms may be higher or lower than those charged by other broker-dealer/custodians.

The research products and services that we may receive from brokerage firms (e.g. TD Ameritrade, among others) may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize TD Ameritrade, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide research services or products might charge.

### A. TD Ameritrade Institutional

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your





accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. We believe that TD Ameritrade provides quality execution services at competitive prices. Price is not the sole factor we consider in evaluating best execution. In establishing the reasonableness of the fees charged by TD Ameritrade, we have compared TD Ameritrade with other brokerage service providers with respect a number of factors, including the fees charged by the broker for custodial and trade-execution services, the relative breadth of securities that can be traded on the broker's trading platform the frequency, nature and quality of reports that the broker provides to our clients regarding the performance of their portfolio, and the customer service provided by the broker to our firm and to our clients. The value of products, research or services other than custodial and trade execution services are not factors in establishing the reasonableness of the brokerage fees charged by TD Ameritrade.

Associated persons of our firm may, from time to time, attend conferences offered by various vendors and/or wholesalers. These conferences may be available to our Associated Persons at a discounted rate or no cost. The Firm also serves on the TD Ameritrade Institutional Trading Panel ("Panel"). The Panel consists of approximately ten independent registered investment advisers that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent adviser and their experience with TD Ameritrade's trading platform. The Panel meets in person once a year. Investment advisers are appointed to serve on the Panel for a one-year term by TDA Institutional trading, sales, service and senior management. At times, Panel members are provided confidential information about TD Ameritrade initiatives. Panel members are required to sign a confidentiality agreement. TD Ameritrade does not compensate Panel members. However, TD Ameritrade will usually pay or reimburse the Firm for the travel, lodging and meal expenses the Firm incurs in attending Panel meetings. The benefits received by the Firm or our personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by the Firm or our related persons in and of itself creates a conflict of interest and can indirectly influence the Firm's recommendation of TD Ameritrade for custody and brokerage services.

#### **B. Research and Other Soft Dollar Benefits**

We do not participate in any soft dollar arrangements.





### **C. Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **D. Directed Brokerage**

The Firm's policy is to not permit a client to direct trades to a particular broker-dealer (client "directed brokerage"). However, the Firm may, at its sole discretion, allow such directed brokerage in limited situations based upon the client's circumstances. When this is the case, clients should be aware that MRPI will not seek better execution and transactions for the directed brokerage accounts and will generally be placed for execution after the execution of portfolio transactions in other client accounts where the Firm has full trade placement discretion. This means clients with directed brokerage arrangements may or may not receive best execution and may pay higher brokerage commissions because the Firm is not able to aggregate orders to reduce transaction costs or otherwise negotiate commissions and may also receive less favorable prices and execution. As a result, the Firm cannot provide assurances that best execution can be obtained in client accounts where the Firm is instructed to direct trades.

### **E. Trade Aggregation and Allocation**

Transactions for each client will be affected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time in order to price the transactions equally for all clients. The Firm performs investment management services for various clients, some of which will have similar investment objectives. The Firm will aggregate sale and purchase orders with other client accounts and proprietary (employee) accounts that have similar orders being made at the same time, if in the Firm's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefit usually includes better transaction prices.

If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro rata to the purchase and sale orders placed for each participating account on any given day. If such orders cannot be fully executed under prevailing market conditions, the Firm will allocate the securities traded among participating accounts and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, the investment objectives of the accounts, and liquidity of the security. Often this includes MRPI creating a new target allocation percentage and reducing that amount until such level that all shares in the partial fill are allocated. If this reduction does not zero out the allocation due to rounding or minimum trade quantity, the excess will either be sold/closed or taken into inventory to be sold/closed by the Firm at a later date. Either one account will receive the full partial amount, if the requested amount is lower or the same, or a number of accounts (one more account than can be completely filled with the partial amount) will receive a pro-rata allocation based on the amounts initially ordered by each of the participating accounts. Accounts will become eligible for receipt of partial amounts on a rotating basis, based on the client number and the last account that received partial amounts. For example, if MRPI wanted a group of clients to get a 10% allocation to "xyz" security, and this resulted in 1500 contracts of a



certain option, and MRPI is only able to purchase 1408 at the price the Firm established to be feasible, then MRPI will start to reduce the allocation percentage to clients from 10% to 9.5%, etc. until the allocation total from that group matches 1408. In doing so, MRPI may start to entirely drop certain clients from the batched trade who may have only had an allocation of 1 option contract, as fractional contracts are not possible. In other circumstances, MRPI may have set a trade value of \$1000 as a minimum screen for inclusion in the initial allocation. If the Firm doesn't get a complete fill, then smaller client accounts may not receive any allocation if they fall below the \$1000 screen as a result.



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

### **A. Investment/Portfolio Management Account Reviews**

Larry Kriesmer, President and CCO and Bernard Surovsky, CIO of MRPI will monitor your accounts on an ongoing basis and will conduct formal account reviews at least annually to ensure the advisory services provided, and the portfolio mix, are consistent with your stated investment needs and objectives. Sarah Lucas Stallins, an investment adviser representative with MRPI may assist Messrs. Kriesmer and Surovsky with account reviews. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

Brokerage statements are generated monthly to include confirmations following each brokerage account transaction. These statements are prepared and sent directly from the account custodian and list the account positions, activity in the account over the covered period, and other related information.

### **B. Pension Consulting Account Reviews**

Mr. Kriesmer and/or Mr. Surovsky will review investment options, plan expenses, and benchmarks with the plan sponsor. Sarah Lucas Stallins, an investment adviser representative with MRPI may assist Messrs. Kriesmer and Surovsky with such reviews. Costs and performance are weighed against service and support features to arrive at a recommendation for changes and/or investment updates within the plan.

### **C. Financial Plan Reviews**

Mr. Kriesmer and/or Mr. Surovsky will review financial plans periodically, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the planning advice and/or asset allocation recommendations made to you are consistent with your stated investment needs and objectives. Sarah Lucas Stallins, an investment adviser representative with MRPI may assist Messrs. Kriesmer and Surovsky with financial plan reviews. Generally, we will contact you annually to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to, marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. Where warranted, we will provide you with updates to the financial plan in conjunction with the review. Such reviews and updates may be subject to our then current hourly rate. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request.



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

The Firm currently pays referral/solicitation fees to various broker/dealers, independent investment advisers, and individuals (“Solicitors”) for clients who are referred to the Firm. All such agreements are in writing and comply with the applicable state and federal regulations. When a referred client is introduced to the Firm by a Solicitor, the Firm will pay the Solicitor a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon a varying percentage of the fees paid to the Firm by such referred clients until the account is closed by written authorization from the client. Any such fee shall be paid solely from the Firm’s investment management fee, and shall not result in any additional charge to the client. The Firm only conducts business with registered Solicitors or Solicitors that are not required to be registered because they are exempt from registration requirements.

From time to time the Firm hosts client events where prospective clients are introduced to the Firm by existing clients and/or third parties. While no payments are made for these referrals directly, the Firm does incur the costs of hosting such events. These events are typically open to all current clients who are physically and geographically able to attend.

As previously disclosed, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section above as well as the *Other Financial Industry Activities and Affiliations* section relating to conflicts of interest involving the insurance arm of our business and affiliate, Kingsroad Financial & Insurance Services.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.



## Item 15: Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees when you specifically authorize us to do so. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us immediately at the telephone number on the cover page of this brochure.

### **A. Standing Letter of Authorization or SLOA**

Our firm, or persons associated with our firm, may affect wire transfers, such as certain ACH (Automated Clearing House) and Journal transfers, from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization or SLOA. An adviser with authority to conduct such third-party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.



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

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and the appropriate trading authorization forms.

If you enter into a discretionary arrangement, you must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

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

Without exception, we will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.



## **Item 18: Financial Information**

Investment Advisers are required to provide you with certain financial information or disclosures about the firm's financial condition. MRPI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Further, the Firm does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered and therefore is not required to include a financial statement.

## **Item 19 Additional Information**

### **A. Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **B. Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error correction results in a profit and you were eligible to participate in the trade, you will keep the profit. If the trade error correction was due to an ineligible trade, such as a short sale or option spread for which your account was not approved, the profit will be removed to our trade error account and the proceeds donated to charity. In no event will our firm benefit from a trade error correction.





### **C. Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

# FACTS

## WHAT DOES MEASURED RISK PORTFOLIOS, INC. (the “Firm”) DO WITH YOUR PERSONAL INFORMATION?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number and Income
- Account Balances and Account Number
- Account Transactions and Assets

When you are *no longer* our customer, we continue to share your information as described in this notice.

### How?

All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons the Firm chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does the Firm share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or at your request to other service providers you identify to us acting on your behalf.	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don’t share
<b>For our affiliates’ everyday business purposes—</b> information about your transactions and experiences	No	We don’t share
<b>For our affiliates’ everyday business purposes—</b> information about your creditworthiness	No	We don’t share
<b>For non-affiliates to market to you</b>	No	We don’t share

### Questions?

Call Larry Kriesmer at 858-452-4930 or contact him at [larry@mrpfolios.com](mailto:larry@mrpfolios.com)

## Who we are

Who is providing this notice?

**MEASURED RISK PORTFOLIOS, INC.**

## What we do

**How does the Firm protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with state and federal law. These measures include computer safeguards and secured files and buildings.

**How does the Firm collect my personal information?**

We collect your personal information, for example, when you:

- Enter into an Investment Advisory Contract or Deposit Money
- Open an Account or Seek Advice about your Investments
- Seek Financial Advice or Provide Account Information

**Why can't I limit all sharing?**

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Measured Risk Portfolios, Inc. has no affiliates.*

**Non-affiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Measured Risk Portfolios, Inc. does not share with non-affiliates so they can market to you.*

**Joint marketing**

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- *Measured Risk Portfolios, Inc. does not jointly market.*

## Other Important information

### Information for Vermont, California and Nevada Customers

In response to a Vermont regulation, if we disclose personal information about you to non-affiliated third parties with whom we have joint marketing agreements, we will only disclose your name, address, other contact information, and information about our transactions or experiences with you.

In response to a California law, we automatically treat accounts with California billing addresses as if you do not want to disclose personal information about you to non-affiliated third parties except as permitted by the applicable California law. We will also limit the sharing of personal information about you with our affiliates to comply with all California privacy laws that apply to us.

Nevada law requires us to disclose that you may request to be placed on our "do not call" list at any time by calling 1-831-759-6300. To obtain further information, contact the Bureau of Consumer Protection, Office of the Nevada Attorney General at 555 E. Washington Ave., Suite 3900, Las Vegas, NV 88101; phone 1-702-486-3132; email [BCPINFO@ag.state.nv.us](mailto:BCPINFO@ag.state.nv.us).