

# McShane Partners

A WEALTH & INVESTMENT ADVISORY FIRM

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CLIENT NOTIFICATION & DISCLOSURE REGARDING FORM ADV, PART 3: FORM CRS

JUNE 30<sup>TH</sup> 2020

Dear Client:

The U.S. Securities & Exchange Commission (“SEC”) recently mandated that all Registered Investment Advisers (“RIAs”) providing advisory services to retail clients supplement their Form ADV with an additional informational disclosure, Form CRS (i.e., Client Relationship Summary).

Form CRS will provide you with a brief summary of our relationship with you and the advisory services we may offer, associated fees/costs, potential conflicts of interest, our Standards of Conduct, any disciplinary history that our firm or employees may have, and other information, as applicable. A copy of our new Form CRS is attached for your review and consideration, and we will also be posting a copy to each client’s portal.

We are pleased to have this opportunity to keep you informed and up-to-date with these regulatory changes. Please feel free to contact your Wealth Advisor, Portfolio Manager, or Client Service Representative should you have any questions regarding our Form CRS or the information contained within it.

Sincerely,



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Elliott Van Ness, CFA | Partner

Chief Compliance Officer | Director of Research

June 30<sup>th</sup> 2020

Date

**MCSHANE PARTNERS**  
**FORM ADV, PART 3: FORM CRS**  
**JUNE 30<sup>TH</sup> 2020**

**ITEM 1. INTRODUCTION**

McShane Partners (“the Firm”) is registered with the U.S. Securities & Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

**ITEM 2. RELATIONSHIPS & SERVICES**

**WHAT INVESTMENT SERVICES & ADVICE CAN YOU PROVIDE ME?**

The Firm offers investment advisory services to retail investors and works with them to develop comprehensive wealth management solutions by providing customized wealth advisory, portfolio management, and financial planning services to individuals, families, trusts. Our comprehensive approach to wealth management involves developing a holistic understanding of our clients’ financial situations, requirements, goals, and objectives. The Firm’s approach to portfolio management involves diversifying a client’s investable assets across five primary asset classes based on that client’s risk tolerance and return objectives: cash, fixed income (i.e., bonds), alternative investments (i.e., hybrids), domestic equities, and international equities. Investment recommendations are provided by the Firm’s Investment Team and typically involve individual stocks, bonds, mutual funds, and exchange traded funds (“ETFs”), which are monitored daily by the Investment Team.

**MONITORING**

As part of our standard investment advisory services, the Firm’s Investment Team continuously monitors the composition and performance of client investment portfolios and conducts regular reviews on a monthly, quarterly, and/or annual basis. The frequency of these reviews is determined by several factors, including but not limited to, client-directed requests, the number of individual securities held in a portfolio, variances to strategic allocations and asset class targets, and/or positions with outsized gains or losses. Reviews may also be conducted because of changes in clients’ personal or financial situations, unanticipated cash flow or liquidity needs, and/or concerns regarding investment suitability.

**INVESTMENT AUTHORITY**

The Firm typically accepts discretionary authority from our clients to manage their investment and securities accounts on their behalf, which means that the Firm is allowed to execute trades in client accounts without seeking approval on a trade-by-trade basis. Clients enter into this agreement by signing a Limited Power of Attorney document or an account application furnished by a third-party custodian that grants certain defined permissions to the Firm.

**LIMITED INVESTMENT OFFERING**

The Firm’s standard investment advisory services are limited to publicly traded securities and most registered, listed investment products available to retail investors, but our advice is not limited to proprietary investment products or prescribed lists of products or types of investments.

**ACCOUNT MINIMUMS & OTHER REQUIREMENTS**

The Firm does not have an account minimum for assets under management (“AUM”) and accepts clients with investable assets that justify our minimum annual fee of \$15,000. The AUM of clients’ relatives or family members may be aggregated for billing purposes, which may affect the relevant billing rate and applicable fee schedule for those clients.

**ADDITIONAL INFORMATION**

More information about the Firm and our advisory services can be found on Part 2A of the Firm’s Form ADV, which is available at <https://adviserinfo.sec.gov/firm/summary/107236>.

**CONVERSATION STARTERS – ASK YOUR FINANCIAL PROFESSIONAL:**

- **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?**

**ITEM 3. FEES, COSTS, CONFLICTS, AND STANDARDS OF CONDUCT**

**A. WHAT FEES WILL I PAY?**

The Firm charges clients an ongoing investment management fee that is based on a percentage of the market value of a client’s AUM. Our fees are negotiable and range between 0.25% and 1.00% annually, depending on the size of a client’s investment portfolio. Investment management fees are billed at the end of each calendar quarter. The Firm also offers family finance consulting services on an hourly basis that are subject to an hourly rate-based fee schedule and are separate and distinct from our

standard investment advisory services. Because the Firm's fees are directly tied to client AUM, the Firm has a natural incentive to increase client AUM or encourage clients to bring assets under our management. More information about the Firm's fees can be found in Item 5 of Part 2A of the Firm's Form ADV, which is available at <https://adviserinfo.sec.gov/firm/summary/107236>.

In addition to the Firm's investment management fees, clients bear the trading fees and commissions charged by the custodian or separate account manager when the Firm buys or sells securities in clients' accounts. The Firm's qualified custodians responsible for maintaining our clients' accounts generally do not charge separate fees for custody services but are instead compensated by trading fees and commissions. The Firm will often recommend proportionate allocations to mutual funds and ETFs for a client's investment portfolio. These investment vehicles typically carry internal expense ratios to cover their own management fees and transaction costs, and those expenses are indirectly borne by investors in those vehicles, including the Firm's clients.

**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.**

**CONVERSATION STARTERS – ASK YOUR FINANCIAL PROFESSIONAL:**

- **Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

**B. 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 must 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 to you. Here are some examples to help you understand:

- The Firm manages accounts for multiple clients and allocates time based on each client's needs. The Firm earns more revenue as we expand our client base and grow our AUM, and we seek to balance our staffing needs with the individualized needs of each client.

**CONVERSATION STARTERS – ASK YOUR FINANCIAL PROFESSIONAL:**

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

**ADDITIONAL INFORMATION**

More information about conflicts of interest between the Firm and its clients can be found on Part 2A of the Firm's Form ADV, which is available at <https://adviserinfo.sec.gov/firm/summary/107236>.

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

The Firm's associates and financial professionals receive a salary and are eligible to receive a discretionary year-end bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals and is based on various factors, including but not limited to, number of client relationships, complexity of client relationships, client AUM, and professional experience.

**ITEM 4. DISCIPLINARY HISTORY**

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

YES  NO

Visit [Investor.gov/CRS](http://Investor.gov/CRS) to research the Firm and our financial professionals.

**CONVERSATION STARTERS – ASK YOUR FINANCIAL PROFESSIONAL:**

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

**ITEM 5. ADDITIONAL INFORMATION**

**ADDITIONAL INFORMATION**

More information about the Firm and our investment advisory services can be found at <https://adviserinfo.sec.gov/firm/summary/107236>. If you have any questions about the contents of this brochure or would like to request a copy of this relationship summary, please contact [McShane Partners](http://McShane Partners) at (980) 585-3390.

**CONVERSATION STARTERS – ASK YOUR FINANCIAL PROFESSIONAL:**

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