

# MCGUIRE FINANCIAL SERVICES, INC.

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WRAP PROGRAM BROCHURE  
(APPENDIX 1 TO FIRM BROCHURE)  
JANUARY 25, 2023

This wrap fee program brochure provides information about the qualifications and business practices of McGuire Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (508) 775-1700. 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 McGuire Financial Services, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for McGuire Financial Services, Inc. is 298695.

## ITEM 2 - MATERIAL CHANGES

We have no material changes to report since our firm's last annual update on March 24, 2021.

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

### **SERVICES**

We offer portfolio management services that involve assisting with the ongoing management of a client's investment accounts. We work with the client to formulate an individualized portfolio based upon his or her objectives, time frame, risk parameters, and other investment considerations. Once we have this information, we create an individualized portfolio for the client. We regularly monitor the client's portfolio and adjust it as determined by the stock market and world events.

### **FEES**

For these services we charge a management fee based on a percentage of assets under management in the client's account. The annual management fee ranges between 0% to 1.75%. The management fee is negotiable and varies based on the size of the account and type of securities held in the account. For example, the client may aggregate accounts to negotiate a lower management fee.

Our management fee is billed quarterly, in advance, meaning the management fee is collected at the beginning of each quarter. The initial quarter's management fee will be calculated on the account's initial custodian reported value and prorated for the number of days remaining in the quarter.

The management fee will be deducted from the client's account. For accounts that we manage, the client will be asked to authorize us with the ability to instruct the account's custodian to withdraw the fee directly from the client's account. The client may terminate this authorization at any time.

In a wrap account, the client pays a single annual wrap management fee for advisory services and execution of transactions. The client does not pay brokerage commissions, markups, or transaction charges for execution of transactions in addition to the management fee.

### **Termination of Wrap Program Services**

A client may terminate any service for any reason within the first five (5) business days after signing an advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving ten (10) days' written notice. To cancel the agreement, the client must notify us in writing at McGuire Financial Services, Inc., 349 Main St., Unit C, West Yarmouth, MA 02673. Upon written notice of termination, the client will receive a prorated refund based on the amount of time services were rendered during the termination quarter. For example, if there are 90 days in a quarter and the service was cancelled 45 days into the quarter, the client will receive a 50% refund of the quarterly management fee. (45 divided by 90 equals 50%) Refunds are paid by depositing the fee back into the account if allowed by the client's custodian. In all other cases refunds are paid by check and mailed to the last address of record.

### Other Types of Fees and Charges

The client may pay custodial fees, fees for trades executed away from the custodian, charges imposed directly by a mutual fund, index fund, or exchange traded fund as disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap management fee that is charged by us.

There are other fees and charges that are imposed by other third parties that apply to investments in program accounts. Some of these fees and charges are described below:

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay us the wrap management fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using our management services and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees, and charges for frequent trading. These charges may apply if the client transfers into or purchases such a fund with the applicable charges in a program account.
- Although only no-load and load-waived mutual funds can be purchased in a program account, clients should understand that some mutual funds pay asset-based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.

Further information regarding fees assessed by a mutual fund is available in the appropriate prospectus, which is available upon request from us or from the product sponsor directly.

### Other Important Considerations

- The wrap management fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The wrap management fee may cost the client more than purchasing the program services separately, because the client could pay an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The wrap management fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a program account.

- The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker-dealers or other investment firms not affiliated with us.
- Because we absorb certain transaction costs in wrap fee accounts, we may have a financial incentive not to place transaction orders in those accounts since doing so increases our transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.
- We do not charge our clients higher advisory fees based on their trading activity, but clients should be aware that we may have an incentive to limit our trading activities in client accounts because we are charged for executed trades.

### **Retirement Rollover Conflicts of Interest**

When we recommend you rollover a retirement account for us to manage, this creates a financial incentive because we charge a fee for our services. We attempt to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by us.

## **ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

We offer our services to individuals, high net worth individuals, corporations and other business entities, pension and profit-sharing plans, charities and non-profits. We do not require a minimum balance.

## **ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **SELECTION OF PORTFOLIO MANAGER**

In our wrap program, we do not select, review, or recommend other investment advisers or portfolio managers. We, through our associated persons, are responsible for the investment advice and management offered to clients. For more information about the associated person managing the account, the client should refer to the Brochure Supplement (ADV Part 2B) for the associated person, which the client should have received along with this Brochure at the time the client opened the account.

### **ADVISORY BUSINESS**

Item 4 above contains a description of our wrap fee services.

The goals and objectives for each client are documented before any investing takes place. The client may impose restrictions on investing in certain securities or types of securities. The client must present all restrictions in writing.

### **PARTICIPATION IN WRAP FEE PROGRAMS**

We offer wrap fee accounts to individual clients. Wrap fee accounts are managed according to the client's investment objectives, risk tolerance, and financial goals.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or perform side by side management.

#### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We create the client's portfolio by using asset allocation. Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon. The asset classes typically include equities, fixed-income, international, and cash and equivalents. The risk associated with asset allocation is that each class has various levels of risk and return, so each will behave differently over time. There is no guarantee that diversification among asset classes will grow a portfolio.

#### INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear**. Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. To manage risk, we rebalance model portfolios on an as needed basis to bring the asset allocations back to their intended balances. The client should feel free to ask questions about risks that he or she does not understand; we would be pleased to discuss them.

#### RECOMMENDED SECURITIES

We use several types of securities in client portfolios including, but not limited to, mutual funds, exchange traded funds (ETFs) (please see below for risks associated with ETFs), stocks and bonds. Some of the risks associated with these securities include:

- **Credit Risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment or the future purchasing power of a client's assets.
- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, which differ from those of the U.S.
- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.

- **Stock Market Risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

#### **EXCHANGE TRADED FUND RISKS**

**Definition.** An exchange-traded fund (ETF) is an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds and trades at approximately the same price as the net asset value of its underlying assets over the course of the trading day. Most ETFs track an index, such as the S&P 500.

ETF investments have risks like stocks. There are risks involved with investing in ETFs including the risk of principal (i.e., possible loss of money). The share price may trade above or below the purchase price.

**Authorized Participants Risk.** Authorized Participants have exclusive rights to change the supply of an ETFs on the market. When they spot a shortage of ETF shares in the market, they create more shares. Conversely, when there is an excess of supply of ETF shares on the market, they reduce the number of shares. Generally speaking, the greater the number of Authorized Participants the better. The risk associated with Authorized Participants is that they may not be active in monitoring the supply of an ETF, which could limit its liquidity.

**Liquidity Risk.** Not all ETFs have the same level of liquidity. An ETF's liquidity is affected by the securities it holds, the trading volume of the securities it holds, the trading volume of the ETF itself and finally, the investment environment. Lower levels of liquidity lead to greater bid-ask spreads, larger discrepancies between net asset value and the value of the underlying securities, and a decreased ability to trade profitably.

**Market Risk.** Since the ETF invests most or a substantial portion of its assets in stocks, it is subject to stock market risk. Market risk involves the possibility that the value of the ETF's investments in stocks will decline due to drops in the stock market. In general, the value of the ETF will move in the same direction as the overall stock market in which the ETF invests, which will vary from day to day in response to the activities of individual companies, as well as general market, regulatory, political and economic conditions.

**Trading Risk.** Although ETFs will be listed on the Exchange, there can be no assurance that an active or liquid trading market for them will develop or be maintained. In addition, trading in the ETF on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in the ETF inadvisable. Further, trading in the ETF on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to the Exchange "circuit breaker" rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of the ETF will continue to be met or will remain unchanged.

**Value Stock Risk.** Value stocks are subject to the risk that their intrinsic value may never be realized by the market or that their prices may go down. While the ETF's investments in value stocks may limit its downside risk over time, the ETF may produce more modest gains than riskier stock funds as a trade-off for this potentially lower risk.

#### **VOTING CLIENT SECURITIES**



We do not accept authority to vote client securities. Clients retain the right to vote all proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from the custodian of assets. If clients have questions regarding the solicitation, they should contact us or the contact person that the issuer identifies in the proxy materials. In addition, we do not accept authority to act with respect to legal proceedings relating to securities held in the account.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

In our wrap program, we are responsible for account management; there is no separate portfolio manager involved. We obtain the necessary financial data from the client and assist the client in setting an appropriate investment objective for the account. We obtain this information by having the client complete an advisory agreement and other documentation. Clients are encouraged to contact us if there have been any changes in their financial situations or investment objectives. They should also contact us if they wish to impose any reasonable restrictions on the management of the account or modify existing restrictions. Clients should be aware that the investment objective selected for the wrap program is an overall objective for the entire account and may be inconsistent with a holding and the account's performance at any time. Clients should further be aware that achievement of the stated investment objective is a long-term goal for the account.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients should contact us at any time with questions regarding program accounts.

## ITEM 9 – ADDITIONAL INFORMATION

### DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10 years that would be material to a client's evaluation of us or the integrity of our management. We have no information applicable to this Item because we have not been the subject of any administrative, civil, criminal, or regulatory proceedings.

### OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Our owner or associates are independent insurance agents and may recommend fixed insurance products to our clients. This other business activity pays them commissions that are separate from the fees described above. This is a conflict of interest because the commissions give our associates a financial incentive to recommend and sell clients the fixed insurance products. However, they attempt to mitigate any conflicts of interest to the best of their ability through their fiduciary duty and by informing clients that they are never obligated to purchase any recommended fixed insurance products through them.

Our owner or associates are registered representatives of AAG Capital, Inc., an independent broker-dealer. They may recommend these services to clients. These other business activities pay commissions or advisory fees that are separate from the fees above. This is a conflict of interest because the commissions or advisory fees give the investment adviser representatives a financial incentive to recommend and sell additional securities or advisory services to clients. However,

the investment adviser representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the client's interests ahead of their own, through their fiduciary duty and by informing clients that they are never obligated to use recommended services through anyone associated with our associates.

#### CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

##### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons, and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

##### MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

##### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our employees may buy or sell for their own account the same securities at or about the same time that they recommend those securities to clients or purchase them for client accounts. A conflict of interest may exist because they can trade ahead of client trades. We mitigate any conflict of interest in two ways. First, our Code of Ethics requires employees to report personal securities transactions on at least a quarterly basis. Employees also provide us, both upon commencement of employment and quarterly thereafter, with a detailed summary of holdings in which the employees have a direct or indirect beneficial interest. The reports are reviewed to ensure we do not trade ahead of client accounts. Second, we require client transactions to be placed ahead of our employees' personal trades or our employees can place personal trades as part of a block trade (Please see Item 12.B of our Form ADV Part 2A for details on our block trading practices). The records of all employees' personal and client trading activities are reviewed and made available to regulators to review on the premises.

##### REVIEW OF ACCOUNTS

Our owner, Mr. McGuire and/or associates, review client portfolios and Third-Party Manager accounts annually. Financial planning, financial consulting and retirement plan consulting account reviews are negotiated and disclosed in the agreement.

Additional reviews may be conducted depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move, or inheritance).

Portfolio management and Third-Party Manager accounts receive at least a quarterly statement from the account's custodian. We provide a written plan to financial planning clients.

#### CLIENT REFERRALS AND OTHER COMPENSATION

We do not pay for client referrals or use solicitors.

We receive economic benefit from Schwab in the form of the support products and services made available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Form ADV Part 2A, Item 12 – Brokerage Practices. The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

#### FINANCIAL INFORMATION

We do not have any financial impairment that will preclude us from meeting our contractual commitments to our clients. We do not serve as a custodian for client funds or securities. At no time will wrap management fees of more than \$500 be charged six or more months in advance by our firm or a client's representative. We have established policies and procedures designed to prevent the collection of fees greater than \$500 six or more months in advance. As such, a balance sheet is not required to be provided at this time. We have not been the subject of a bankruptcy proceeding.

#### **ITEM 10 – REQUIREMENTS FOR STATE-REGISTERED MANAGERS**

We have one principal executive officer Kenneth J. McGuire, ("Mr. McGuire"). Mr. McGuire's biographical information is provided in the attached Brochure Supplement document.

Mr. McGuire is required to disclose additional information if he has other business activities. He is a registered representative of AAG Capital, Inc. and a licensed independent insurance agent. He receives commissions from the sale of securities and insurance products. These activities and any conflicts of interest associated therewith are discussed in Items 5 and 10 of this brochure. He is also involved in several non-investment related other business activities that include: owner of Bam Bam, LLC, a real estate holding company; member of the finance committee for Yarmouth Area Chamber of Commerce; and trustee of 349 Main Street Condo Trust.

Mr. McGuire is also required to disclose additional information if he receives performance-based fees, has any relationship or arrangement with an issuer of securities, or was ever found liable in an arbitration, civil, self-regulatory organization or administrative proceeding. Mr. McGuire has no information to report on these topics because none of these apply to him.