**Part 2A of Form ADV: Firm *Brochure***

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| Item 1 Cover Page  May 11, 2018  Raleigh Investment Advisors, Inc.  505 Oberlin Road, Suite 153  Raleigh, North Carolina 27605  Telephone: 919-783-9700  Fax: 877-514-9093  Website: [www.raleighinvest.com](http://www.raleighinvest.com)  **This brochure provides information about the qualifications and business practices of Raleigh Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 919-783-9700 or mikedunne@raleighinvest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**  **Additional information about Raleigh Investment Advisors, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.** |

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| Item 2 Material Changes  This is an updated brochure. |

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| Item 4 Advisory Business  Michael C. Dunne, founder, owner (100% of shares), and President, launched Raleigh Investment Advisors, Inc. in 1999. Raleigh Investment Advisors, Inc. mission is to guide clients along their unique path to achieve their financial goals.  RIA utilizes Charles Schwab as custodian of funds. RIA utilizes the following investment vehicles: mutual funds, stocks, bonds, Certificates of Deposit, Exchange Traded Funds, and money markets. RIA does not offer puts, calls, or hedge funds. Ninety-nine percent of funds are invested in mutual funds. Individual stocks are purchased if client instructs RIA to do so.  As of May 11, 2018 manages approximately $20,000,000 on a discretionary basis and manages $0.00 on a non-discretionary basis. |

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| Item 5 Fees and Compensation  RIA’s asset management fee is calculated as follows:  Annual fee is 1 percent of the asset base and each account is billed quarterly.  For example:  $100,000 of assets last day of quarter  (January – March 31)  April 1 – 0.0025 x 100,000 = $250.00  (April – June 30)  July 1 – 0.0025 x 100,000 = $250.00  (July – September 30)  October 1 – 0.0025 x 100,000 = $250.00  (October – December 31)  January 1 – 0.0025 x 100,000 = $250.00  Clients are charged in advance. For example: a new client deposits $100,000 on March 31; on April 1 a billing statement along with a holding report is mailed to the client ($100,000 x 0.0025 = $250.00).  Fees are not negotiable.  Client does not pay transaction cost or stock trading commissions.  Fees are deducted from client’s account.  Client is mailed billing statement and holding report seven days before funds are deducted from their account.  A portfolio can be evaluated for a fee determined by Investment Advisor.  Clients are charged expense fees by the mutual fund companies.  No fee is charged on holdings over $2,000,000.  Item 6 *Performance-Based Fees* and Side-By-Side Management  RIA does not participate in Performance-Based Fees or Side-By-Side Management. |

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| Item 7 Types of *Clients*  RIA‘s client base is 100 percent individuals.  Item 8 Methods of Analysis, Investment Strategies and Risk of Loss  RIA’s utilizes the following data to determine the risk involved in each portfolio:  1. Age,  2. Family data, (married, divorced, dependents, education bills, wedding costs, major purchases, etc.),  3. Income - savings rate, retirement income source - company pension, inheritance, age to start social security,  4. Debt - home, second home, autos, credit card, family loan, etc.,  5. Health – spouse, parents, siblings, children,  6. Insurance - health, long term care, life, auto, home, umbrella,  7. Job security - education, title, time employed, type of business,  8. Risk tolerance – quiz; ask many questions,  9. Retirement date.  Every client is informed that investing in the “stock market” is a form of legalized gambling. Furthermore, no one can accurately project the market’s performance in the short run, the next 12 months. Therefore, each client needs to think about long term investing. The yard stick for risk is the yield on a10 year Treasury. For example, if the yield on your bond portfolio is 6.25% and the yield on 10 year Treasury is 1.63% indicates that you have a portfolio of high risk bonds, not AAA, but BBB, BB, and B’s.  As a client moves into the retirement phase, the portfolio will become more conservative. For example:  Age Stock to Bond Ratio  40 90/10  50 80/20  60 70/30  70 60/40  Beta is among the many statistical measures used to determine risk. Beta measures the sensitivity to the movement of the market. For example: the Beta for the S&P500 Index is 1.0. The Beta for a conservative balance fund (50% stock and 50% bonds) could be 0.50 or 50% less volatile than the stock market. If the market goes down $1.00 your portfolio would go down 50 cents.  Statistics provided by Morningstar are used to monitor the risk in each portfolio. Each portfolio has a Beta and is adjusted according the unique situation of the client (age, health, employment). Another tool used is the Bear Ranking: how has the mutual fund performed in down markets. The client is reminded that a high percentage of the data presented is the history of the fund and can be helpful guessing what the fund might due in the future. For example: a mutual fund with a 10 year five star rating will more than likely outperform a mutual fund with a three star rating.  Every quarter the statistical data is updated and every portfolio is reviewed with the current statistics. Any mutual fund with a three star rating or lower is reviewed thoroughly before making the decision to swap this position for a mutual fund with a better performance rating.  Every mutual fund is ranked according its category (large growth, mid-cap blend, etc.) and compared to an index for that particular category. If a mutual fund over a ten year period fails to maintain a position in the 75+% quartile, the fund will be replaced. Of course, there is always an exception to every rule. |
| Item 9 Disciplinary Information  There are no legal or disciplinary events that are material to Raleigh Investment Advisors, Inc.  Item 10 Other Financial Industry Activities and Affiliations  Raleigh Investment Advisors does not have professional activities, relationships, or affiliations with others in the financial industry.  Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading  Raleigh Investment Advisors, Inc. has no participation or interest in client and personal trading.  Item 12 Brokerage Practices  Raleigh Investment Advisors, Inc. has no relationship with in regard to research and other soft dollar benefits. RIA’s only professional relationship is with Charles Schwab & Co., Inc.  Item 13 Review of Accounts  Raleigh Investment Advisors, Inc. reviews every account quarterly and makes an effort to sit down with each client twice a year in order to do a portfolio review. Charles Schwab & Co., Inc. mails or emails a monthly report to each client. The following is an example of the document prepared for each personal appointment:   |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Fund Name** | **% 10 Yr** | **Mstar Category** | **Mstar Rating** | **Yield** | **3 Yr** | **5 Yr** | **10 Yr** | **Beta 3** | **B Mkt** | | Berwyn Income | 5 | Conservative All | ÙÙÙÙÙ | 3.30 | 10.29 | 7.07 | 7.62 | 0.55 | 3 | | Permanent Portfolio | 1 | Conservative All | ÙÙÙÙÙ | 0.89 | 12.78 | 7.98 | 10.44 | 0.86 | 4 | | Dodge & Cox Income | 24 | Inter-Term Bond | ÙÙÙÙ | 3.94 | 8.04 | 6.99 | 5.93 | 0.56 | 38 | | Harbor Bond Instl | 11 | Inter-Term Bond | ÙÙÙÙ | 2.45 | 7.72 | 8.41 | 6.56 | 0.75 | 26 | | Managers PIMCO Bond | 10 | Inter-Term Bond | ÙÙÙÙÙ | 3.32 | 8.18 | 8.46 | 6.63 | 0.80 | 35 | | TCW Total Return Bond I | 6 | Inter-Term Bond | ÙÙÙÙÙ | 6.55 | 10.02 | 9.33 | 6.98 | 0.89 | 13 | | Oakmark Equity & Inc | 3 | Moderate All | ÙÙÙÙ | 1.31 | 9.87 | 3.75 | 7.44 | 1.04 | 8 | | Sit US Gov Securities | 1 | Short Government | ÙÙÙÙÙ | 2.44 | 4.37 | 5.47 | 4.29 | 0.27 | 5 | | Short-Inter Bond | 8 | Short-Term Bond | ÙÙÙÙÙ | 1.96 | 4.38 | 5.24 | 4.67 | 0.36 | 11 | | Lord Abbett Short Bond | 6 | Short-Term Bond | ÙÙÙÙÙ | 4.53 | 6.66 | 6.77 | 4.81 | 0.29 | 28 |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Category** | **Brokerage** | **IRA** | **Other** | **Total** | **%Total** | **Fixed$** | **Equities** | | Bond High Quality | 12,821 |  |  | 12,821 | 2.80% | 2.80% |  | | Bond - Corp General | 25,674 |  |  | 25,674 | 5.61% | 5.61% |  | | Bond - Inter Term | 13,394 |  |  | 13,394 | 2.93% | 2.93% |  | | Bond Short Gov Gen | 81,217 |  |  | 81,217 | 17.74% | 29.07% |  | | Bond - Short Income | 80,298 |  |  | 80,298 | 17.54% | 17.54% |  | | Bond - Short Term | 76,152 |  |  | 76,152 | 16.63% | 16.63% |  | | Allocation: 50/50 | 30,633 | 8,282 |  | 38,915 | 8.50% | 4.25% | 4.25% | | Allocation: 60/40 | 30,081 | 3,790 |  | 33,871 | 7.40% | 2.96% | 4.44% | | NC Credit Union |  |  | 80,000 | 80,000 | 17.47% | 17.47% |  | | Cash | 15,200 | 363 |  | 15,563 | 3.40% | 3.40% |  | | Total | 365,472 | 12,435 | 80,000 | 457,907 | 100.00% | 91.31% | 8.69% | |  |  |  |  |  |  |  |  | | Beta: | 0.14 |  |  |  |  |  |  | | Market Beta: | 1.00 |  |  |  |  |  |  |   Item 14 *Client* Referrals and Other Compensation  Raleigh Investment Advisors, Inc. has not received or nor given any means of compensation for referrals.  Item 15 *Custody*  Charles Schwab & Co., Inc. has custody of 100% of Raleigh Investment Advisors, Inc. funds.    Item 16 Investment Discretion  Raleigh Investment Advisors, Inc. has discretionary authority to manage funds for clients.  Item 17 Voting *Client* Securities  Raleigh Investments Advisors, Inc. has the authority to vote, but the Investment Advisor seldom if ever votes because 99 percent of the funds are invested in mutual funds. The Investment Advisor has never had a discussion with a client in regard to voting guidelines.  Item 18 Financial Information  Raleigh Investment Advisors, Inc. does not require or solicit a prepayment of any sort.  Raleigh Investment Advisors, Inc. has discretionary authority of client’s funds.  Raleigh Investment Advisors, Inc. has not filed for bankruptcy.  Item 19 Requirements for State-Registered Advisers  Raleigh Investment Advisors, Inc. has two employees:  Michael C. Dunne  Owner, Founder, President  Graduate of The University of Texas Business School  Greg Dunne  Vice President  Graduate of North Carolina State University |
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