

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

May 22, 2024

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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 gregtdunne@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.

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. Individual stocks are purchased if client instructs RIA to do so.

As of May 22, 2024, manages approximately \$23,500,000 on a discretionary basis and manages \$0.00 on a non-discretionary basis.

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 \times 100,000 = \250.00
(April – June 30)
July 1 – $0.0025 \times 100,000 = \250.00
(July – September 30)
October 1 – $0.0025 \times 100,000 = \250.00
(October – December 31)
January 1 – $0.0025 \times 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 \times 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 several 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.

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 a 10 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:

<u>Age</u>	<u>Stock to Bond Ratio</u>
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 to 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 do 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 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 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	Market
Berwyn Income	5	Conservative All	4.5	3.30	10.29	7.07	7.62	0.55	3
Permanent Portfolio	1	Conservative All	4.5	0.89	12.78	7.98	10.44	0.86	4
Dodge & Cox Income	24	Inter-Term Bond	4.5	3.94	8.04	6.99	5.93	0.56	38
Harbor Bond Instl Managers PIMCO	11	Inter-Term Bond	4.5	2.45	7.72	8.41	6.56	0.75	26
Bond	10	Inter-Term Bond	4.5	3.32	8.18	8.46	6.63	0.80	35
TCW Total Return Bond I	6	Inter-Term Bond	4.5	6.55	10.02	9.33	6.98	0.89	13
Oakmark Equity & Inc	3	Moderate All Short	4.5	1.31	9.87	3.75	7.44	1.04	8
Sit US Gov Securities	1	Government Short-Term	4.5	2.44	4.37	5.47	4.29	0.27	5
Short-Inter Bond Lord Abbett Short Bond	8	Short-Term Bond	4.5	1.96	4.38	5.24	4.67	0.36	11
Bond	6	Short-Term Bond	4.5	4.53	6.66	6.77	4.81	0.29	28

Category	Brokerage	IRA	Other	Total	%Total	Fixed\$	Equities
Bond High	12,821				2.80%	2.80%	

Quality				12,821				
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%	<u>4.44%</u>	
NC Credit Union			<u>80,000</u>	80,000	17.47%		17.47%	
Cash	<u>15,200</u>	<u>363</u>		<u>15,563</u>	<u>3.40%</u>		<u>3.40%</u>	
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. 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

