



## Form CRS Customer Relationship Summary

### Introduction

McElhenny Sheffield Capital Management, LLC is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Registration does not imply a certain level of skill or training. 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 for you to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing. You can find more information about McElhenny Sheffield Capital Management and its services in our [Form ADV, Part 2A Firm Brochure](#).

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

We offer investment advisory services and advice on a regular basis to individuals, high net worth individuals and institutional investors, including serving as sub-adviser to an exchange-traded fund ("ETF"). Our services include discussing your investment goals, collaborating with you to design a strategy to achieve your investment goals, and the on-going monitoring and maintenance of your portfolio. We will contact you periodically regarding your investment portfolio. Other advisory services we provide include financial planning services and investment consulting. We provide our advisory services on a discretionary basis for retail and institutional clients. Our discretionary authority is generally granted by you at the outset of our advisory relationship, in our client agreement with you, and provides us with the ability to purchase, sell, or otherwise effect securities transactions, including our proprietary ETF, without your prior consent or consultation. Our investment advice generally covers equities, debt, options, futures, ETFs, and mutual funds. We have no material limitations and do not have minimum requirements for retail investors to open or maintain an account or establish an advisory relationship with us. For additional information, please see our [Form ADV, Part 2A brochure](#), Items 4 and 7, our [website](#), and/or contact us at 214-922-9200.

#### 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?*

### What fees will I pay?

Retail investors will incur the fees described below for investment advisory services, which are negotiated between you as the client and your financial advisor and are described in the fee schedule of your client agreement. The annual fees for our asset management services are assessed monthly based on the market value of your account as of the last day of the calendar month. Depending on the clients' situation and the services we are asked to provide, the principal fees for our investment advisory services will include one or more of the following: (i) an asset-based fee, which is an on-going fee, and based upon a percentage of the assets, including any margin debt, managed by us; (ii) an hourly or fixed charge for financial planning and general investment consulting services; and (iii) a performance-based fee based on the quarterly appreciation of the account. Performance-based fees, which are only charged to qualified clients in select strategies, create an incentive for us to potentially recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. 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. Additionally, the amount paid to us and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted directly from your account. The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee monthly even if there is limited or no investment activity in your account.

You will also pay transaction fees, and other transaction-related third-party costs and expenses incurred in the management of your assets. By way of example, these costs include charges imposed by custodians, and others, such as custodial fees, deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on custodial brokerage accounts and securities transactions. Some investments (such as mutual funds, ETFs, and variable annuities) impose additional fees that will reduce the value of your investment over time. Your investment in ETFs and other investment vehicles, including our proprietary ETF, will generally be subject to both the investment vehicles' management fees (with respect to our proprietary ETF, a portion of which are payable to us, as sub-adviser) and our management fee. We, in our sole discretion, reduce or waive all or any part of our Management Fee and certain clients do not pay a separate asset management fee for investment in our proprietary ETF. 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. For

additional information about our fees and costs, please see the conflict disclosure below and our [Form ADV, Part 2A brochure](#), Items 5 and 12.

**Conversation Starters - Ask Your Financial Professional:**

- *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?*

**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 interests 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 that we provide you. Here are some examples to help you understand what this means:

- Your custodian provides services to us, including research, execution, brokerage, custody and access to ETFs, mutual funds and other investments. Additionally, other services provided assist us in managing and administering clients' accounts. These services are provided based in part on the assets held by the respective custodians, and as such, create an incentive for us to direct clients to their custodial platforms.
- We have an incentive to recommend margin accounts to permit borrowing money for a client account. Additionally, for margin loans, the purchase of securities in the account will result in increased asset-based fees, which provides an incentive for us to recommend the use of margin.
- We charge asset-based fees and therefore make more money when there is an increase in the assets in the account. Therefore, we have an incentive to recommend increasing the assets in the accounts we manage.
- We manage a proprietary ETF and earn a sub-advisory fee. We can earn higher management fees when we invest our clients' separately managed accounts in our proprietary ETF. The receipt of additional compensation from our proprietary ETF provides an incentive for us to invest client assets in the proprietary ETF. The fees charged for financial advisory services, together with fees paid to us indirectly through the proprietary ETF, can be higher than the fees charged by other investment advisers for similar investment advisory services. Clients can independently and directly invest in our proprietary ETF shares through other financial services firms/broker-dealers. For additional information about our conflicts of interest, see our [Form ADV, Part 2A brochure](#), Item 12 and 14.

**Conversation Starters - ask your financial professional:**

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

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

Our financial professionals earn compensation based upon a portion of the revenue we earn from you for providing you with advisory services. As a result, our financial professionals have a financial incentive to not reduce fees. Additionally, our financial professionals are compensated based on factors such as the amount of client assets they service, and the time and complexity required to meet a client's needs. The portfolio managers of our proprietary ETF are paid compensation based on the amount of assets under management in the proprietary ETF. No payment or portfolio manager compensation formulas are tied to the proprietary ETF's performance. For additional information regarding fees, see our [Form ADV Part 2A brochure](#) and/or your client agreement.

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

Yes. Please see [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research the background and experience of us 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?*

**Additional Information**

For additional information regarding our services, please see our [Form ADV Part 2A brochure](#) and our [website](#). If you would like up-to-date information or a copy of this relationship summary, please contact Bruce McElhenny Fraser, Jr. by phone at 214-922-9200, or by email [bruce@mscm.net](mailto:bruce@mscm.net).

**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?*

**Exhibit: Summary of Material Changes**

No material changes were made to our Form CRS since the last update on October 11, 2023.