

# FORM CRS

## TORRAY LLC

### JUNE 2020

Torray LLC (“Torray”, “us”, “we”) is an SEC registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Services and fees offered by investment advisory firms like Torray differ from those offered by brokerage firms and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

Torray offers investment advisory services to retail clients through separately managed equity portfolios and wrap fee programs within our [Equity Income](#), [Large Cap Value](#), [Large Cap Growth](#), and [Small/Mid Cap Growth](#) strategies. The stated minimum account size requirement for opening or maintaining a separate account in any strategy we offer is \$250,000, but we reserve the right to waive or reduce the account minimum. Wrap fee program minimums may differ. Please see our [Form ADV Part 2A](#) Brochure, Items 4 and 7 for more information.

#### Conversation Starter:

**Given my financial situation, should I choose an investment advisory service? Why or why not?**

Torray generally exercises full investment discretion over all client accounts. This means that at the outset of an advisory relationship, clients authorize us to make portfolio decisions without their prior approval. This includes discretion over which security to trade, the quantity, price, time, executing broker dealer, and commission rate. Clients may impose reasonable restrictions, such as security or industry limitations. As part of our standard services, our investment professionals monitor all client accounts on a regular basis through frequent product team meetings and discussions of investment ideas, market conditions, news about stocks held in the portfolios, earnings releases, trading and performance. Generally, investment decisions are applied across all client accounts managed within a particular strategy. For more information about Torray’s client account monitoring, please see Item 13 of [Torray’s Form ADV Part 2A](#).

**Conversation Starter: How will you choose investments to recommend to me?**

#### What fees will I pay?

Torray’s fee for the management of separate accounts is based on an annual percentage of each account’s total assets under management, including cash. The standard annual fee schedule is 1.0% on the first \$5 million, 0.75% on the next \$20 million, 0.50% on the next \$175 million, 0.375% on the next \$100 million and 0.25% on the balance. Fees are generally computed and payable quarterly, in advance, based on the market value on the last business day of each prior quarter. Initial and terminating periods will be calculated pro-rata, with excess funds repaid as applicable. Negotiated fee schedules depend on a client’s particular needs, our overall relationship, and other unique factors. The more assets we manage for you, the greater our fee and so we have an incentive to encourage increased account assets. Our fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other similar charges. If a client portfolio holds a pooled investment vehicle (mutual fund or ETF), the client will indirectly bear fees and expenses charged by such investment. Under wrap fee arrangements, the wrap program sponsor charges participants a comprehensive, typically higher, asset-based fee whereby all administrative and

**Conversation Starter: What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

management fees, including trading costs and custody, are wrapped into one fee. Torray receives a share of these fees from the sponsor. Torray negotiates fees under wrap arrangements separately with each wrap sponsor.

**Conversation Starter: 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?**

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. Further details are available in Item 5 of [Torray's Form ADV Part 2A](#).

**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 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 you. Here are some examples to help you understand what this means. Torray engages in side-by-side investing of separate accounts, wrap accounts, model portfolios, and mutual funds for which we serve as investment adviser. Our asset-based fee structure could incentivize

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

us to favor larger accounts with more assets, or those who pay higher fees. As another example, our financial professionals are permitted to buy and sell the same securities we buy and sell on behalf of clients. See our [Form ADV Part 2A](#) Item 10 and 11 for more information on conflicts of interest and how we seek to mitigate them.

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

Torray's investment professionals receive a base salary and are eligible to receive a bonus. The base salary is determined by overall experience, expertise, and competitive market analyses. The bonus is based on job performance and, in part, firm revenues. Investment professionals are also eligible to receive pro-rata profit distributions based on partnership interest. This presents a potential conflict because one may take risks to increase AUM and fees to raise bonuses based on firm performance.

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

No. Torray has no legal or disciplinary events to report. Please visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research Torray and its financial professionals.

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

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**For additional, up-to-date information about the advisory services Torray offers, or to obtain a copy of our Form CRS, call us toll free at 855-753-8174 or visit <https://torray.com>. To obtain a current Form ADV 2A, visit <https://torray.com/torray-form-adv-part-2a/>**

**Conversation Starter: 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?**