

## Item 1- Cover Page

# ADV Part 2A

&Partners, LLC

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<https://www.andpartners.com>

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This Brochure provides information about the qualifications and business practices of &Partners, referred to herein as (AP, the “Firm”, our, us or we). When we use the words “you”, “your”, and “client” we are referring to you as our client or our prospective client. We use the term “FA” when referring to all individuals providing investment advice on our behalf. If you have any questions about the contents of this Brochure, please contact us at 314-384-3833. The information in this Brochure has not been approved or verified by the United States Securities and Exchanges Commission (“SEC”) or by any state securities authority.

AP is a SEC Registered Investment Advisor (“RIA”). The registration of an RIA does not imply any level of skill or training. The oral and written communications made to you by AP, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain AP as your RIA.

Additional information about AP is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with, registered, and required to be registered, as FAs of AP.

&Partners is the enterprise trade/marketing name for Ampersand Partners LLC, a Delaware limited liability company, and its subsidiary, &Partners, LLC, a Tennessee limited liability company registered with the U.S. Securities and Exchange Commission as a broker-dealer and investment adviser. Securities and investment advisory services offered through &Partners, LLC, member FINRA and SIPC.

# Item 2- Table of Contents

## Contents

- Item 1- Cover Page ..... 1
- Item 2- Table of Contents..... 2
- Item 3- Material Changes..... 5
- Item 4- Advisory Business ..... 5
  - Ownership ..... 5
  - Regulatory Assets Under Management..... 5
  - Investment Products..... 5
  - Advisory Programs ..... 6
    - Portfolio Manager Selection ..... 6
    - Third Party Portfolio Manager Selection ..... 9
    - Performance Review ..... 9
    - Information about Fees ..... 9
    - Advisory Representative Disclosure ..... 9
  - Other Advisory Services ..... 10
    - Overview..... 10
    - Furnishing Advice Not Involving Securities..... 10
    - Financial and Tax Planning..... 10
    - Estate Administration Consulting ..... 10
    - ERISA 3(21) Investment Adviser Services ..... 10
    - Retirement Plan Educational Consulting Services..... 11
    - Research Report Services ..... 11
    - Publication of Newsletters or Periodicals ..... 11
    - Retirement Plan Participant Discretionary Account Management..... 11
    - Educational Seminars..... 11
    - Investment Objectives..... 11
    - Termination ..... 12
    - Education ..... 12
    - Fee Types ..... 12
    - Fee Schedule ..... 12
    - Advisory Fee Computation ..... 15
    - Employee Accounts and Pro Bono Accounts..... 15
    - Mutual Funds ..... 15

Transaction Costs and Fees .....	16
Fee Disclosures .....	16
Bank Deposit Sweep Program (“BDSP”) .....	16
Money Market Mutual Funds .....	17
Material Conflicts of Interest Related to the Sweep Program.....	18
Conflicts of Interest.....	18
Item 6- Performance- Based Fees and Side-By-Side Management .....	19
Overview.....	19
Side-By-Side Management .....	19
Item 7- Types of Clients.....	19
Item 8- Methods of Analysis, Investment Strategies and Risk of Loss.....	19
Analysis Methods.....	19
Fundamental.....	20
Technical .....	20
Quantitative.....	20
Sources of Information .....	20
Investment Strategies and Trading.....	20
Investment Strategy Risks.....	20
Lack of Diversification .....	20
Liquidity.....	21
Cash and Cash Alternatives.....	21
Leverage.....	21
Interest Rate Fluctuations.....	22
Long term Purchases (securities held at least a year) .....	22
Liquidity.....	22
Short-term purchases (securities sold within a year) and Frequent Trading (securities sold within 30 days).....	22
Market Risks .....	22
Frequent Trading is Speculative.....	22
Options and Other Derivatives.....	22
Uncovered Risks .....	23
Utilization of Alternative Investments and Complex Products.....	23
Item 9- Disciplinary Information .....	23
Item 10- Other Financial Industry Activities and Affiliations.....	24
Broker Dealer.....	24

Investment Banking .....	24
Municipal Advisor/Underwriter .....	25
Institutional Trading .....	25
Insurance .....	25
Other Activities .....	25
Item 11- Code of Business Conduct and Ethics, Participation or Interest in Client Transactions and Personal Trading .....	26
Item 12- Brokerage Practices .....	26
General .....	26
Trading Practices .....	27
Best Execution .....	27
Batched Trades .....	27
Trade Error .....	27
Directed Brokerage .....	28
Cross-Trade Transactions .....	28
Soft Dollar Arrangements .....	28
Hard Dollar Arrangements .....	28
Brokerage for Client Referrals .....	29
Research .....	29
Item 13- Review of Accounts .....	29
Item 14- Client Referrals and Other Compensation .....	29
Referral/Promoter Activities .....	29
Other Compensation .....	30
Cash and Sweep Programs .....	30
Margin Loans and Non-Purpose Loans .....	30
Transaction Flow .....	30
Payment for Asset and Order Flow .....	31
Item 15- Custody .....	31
Advisory Fees .....	31
Standing Instructions .....	32
Service as Trustee/Executor/POA .....	32
Item 16 – Investment Discretion .....	32
Item 17- Voting Client Securities .....	32
Item 18- Financial Information .....	32

## Item 3- Material Changes

There have been updates to the Firm's Form ADV Part 2A Brochure since the last update dated December 23, 2024. Updates include minor editorial changes as well as clarifications to existing disclosure related items. A summary of material and immaterial changes is as follows:

1. All of AP custody and clearing is provided by National Financial Services, LLC ("NFS"). Pershing, LLC no longer provides clearing and custody services to AP.
2. The Firm has added Hard Dollar Arrangements and clarified disclosures related to Referral Activities.
3. The Firm added further descriptions and conflicts of interest disclosures around the sweep program options, margin and lending interest revenue sharing.
4. The Firm enhanced disclosures around investment of cash balances in excess of advisory program minimums.
5. The Firm has added a section pertaining to Institutional Trading relative to advisory Accounts.

Our Brochure may be requested by sending a written request to 40 Burton Hills Blvd Ste. 350 Nashville, TN 37215 or by contacting our office at 314-384-3833. It is also available, free of charge, on our website <http://www.andpartners.com>. You can obtain additional information about us at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 4- Advisory Business

### *Ownership*

The owner of AP is Ampersand Partners LLC. No owner represents more than 10% ownership of the LLC.

### *Regulatory Assets Under Management*

As of December 31, 2023

AP client assets managed on a discretionary basis- \$1,074,133,982.90

AP client assets managed on a non-discretionary basis- \$98,926,427.58

### *Investment Products*

When acting as a portfolio manager, FAs of AP will use discretion to purchase or recommend various investments to clients based upon a review of each client's investment needs. Depending on client's needs, these investments may include, but are not limited to:

- Equity Securities (exchange-listed, over the counter or foreign issuers)
- Warrants
- Corporate Debt Securities (including, but not limited to, Floating Rate Notes)
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Investment Company Securities (Variable Life Insurance, Variable Annuities, Mutual Fund Shares)
- United States Government Securities
- Option Contracts on Securities
- Interests in Partnerships investing in real estate, oil and gas, and others
- Exchange Traded Funds and Exchange Traded Notes

- Financial Assets other than stocks, bonds, or cash – which may be liquid or illiquid and registered or not registered with the SEC including but not limited to Alternative Investments
- Unit Investment Trusts
- Structured Products

## ***Advisory Programs***

### **Portfolio Manager Selection**

AP offers investment management of customer securities assets through various types of advisory programs summarized below. AP sponsors the investment advisory programs set forth below to address the investment needs of its clients. Clients have the option to select an FA of AP to manage client’s account(s) (“Account”) on a discretionary or non-discretionary basis or to have FA recommend third party money managers (“TPAs”) to help construct portfolios or to conduct day-to-day management. Clients may choose a TPA for which AP has performed due diligence, or they may select a TPA not reviewed by AP.

Depending on the services chosen, the various advisory programs described below will, in some cases, cost the client more than if they separately purchased advisory services outside of a particular program, paid for transaction execution services or paid for third party investment management outside of the programs described below. The factors that can bear upon the relative cost of the service or program include the cost of the services if provided separately, the trading activity in the client’s Account based upon client’s investment objectives or FA’s portfolio management strategy and program selected and type of securities in which the client’s Account is invested.

AP believes that each of our clients has unique investment management and desired service needs from their FA. Given the business structure of our Firm, we also believe that our FAs are best positioned to understand the unique needs of their respective client bases.

Prior to establishing an Account, clients should consider the associated fees and expenses associated with that Account (together, “Program Fees”) which will be detailed in writing in the Client’s Agreement(s). When considering a potential advisory fee proposal, Clients should carefully consider and negotiate with their FA relative to a range of factors, including but not limited to:

- a. the level of assets the Client intends to maintain under management in the Program;
- b. the overall business relationship and level of business and accounts the Client maintains with AP and the FA for investment advisory, brokerage, or other services, both as part of and outside of the Program;
- c. the complexity of assets, investment management styles and strategies the Client desires the FA to provide in managing the Account;
- d. the desired level of interaction the Client expects to have with the FA with respect to the Account, as higher levels of interaction may cause an FA to increase the overall advisory fee;
- e. AP’s Form ADV Part 2A – Disclosure Brochure and the FA’s ADV 2B brochure supplement;
- f. The anticipated receipt of additional compensation by FA or AP, as described within this Brochure;
- g. AP’s Client Relationship Summary; and
- h. any other factors or considerations the Client considers important or unique to the Client in determining a Program Fee which the Client would deem acceptable and appropriate for the Client’s needs and investment objectives.

Advisory Accounts maintained with AP may generate transaction fees on certain activity within the Account--these fees create conflicts of interest as they reduce the expenses otherwise incurred by AP or FA related to client accounts. The Firm addresses these conflicts through maintenance of its Code of Ethics ("COE"), this disclosure to you, and supervision of the suitability of account type recommendations. The Firm also monitors the activities of FAs to confirm that the portfolio holdings are consistent with the investment objectives of the client and that the FA's trading activity is consistent with his or her fiduciary duty to the client.

### ***1. &Partners Advisory Program***

&Partners Program combines Investnet's trading and management platform, and a customized selection of portfolios and strategists within an NFS brokerage account to provide clients an integrated advisory experience. Investnet's portfolio construction and monitoring technology works alongside the NFS brokerage platform to deliver customized investment options with ongoing feedback to the FA of needed adjustments. At client's election, this program is available with either Discretionary or Non-Discretionary trading authority provided to AP and client's FA. As part of account opening, FA will collect and memorialize client objectives for client's Account(s). By helping to assure portfolios are aligned to client goals and then efficiently monitored to remain on target, AP and FAs can react if a client's portfolio deviates from client's goals. Depending on the investment advisory program selected, &Partners may utilize investment strategy models, which may include proprietary strategies developed by &Partners and its FAs, or strategies developed by third-party investment managers, that are applied to the client's Account(s). Trading for implementation of those models is performed either by Investnet, the third-party manager or the FA. If your Account utilizes a propriety strategy developed by and managed by &Partners, certain strategies will carry an additional layer of fees paid to &Partners. Your FA and AP will be paid the agreed upon investment advisory fee and the proprietary &Partners strategy will result in an additional fee. Your FA will not have a direct benefit in the &Partners proprietary strategy management fee, but most FAs are also indirect owners of AP, through its holding company parent, and will receive income indirectly as an owner. This additional income create conflicts of interest as they incentivize the FA and AP to use a proprietary strategy to generate additional revenue even if it may not be the best option for your Account. The Firm addresses these conflicts through maintenance of its Code of Ethics ("COE"), this disclosure to you, and supervision of the suitability of account type recommendations. The Firm also monitors the activities of FAs to confirm that the portfolio holdings are consistent with the investment objectives of the client and that the FA's trading activity is consistent with his or her fiduciary duty to the client. Depending upon options chosen within this program, fees will vary and Investnet will operate as a platform administrator, co-advisor or sub-advisor. Investnet maintains recommended account minimums, fee minimums, and fee ranges. Please review with your FA other options prior to using this program outside of those ranges, as your Account may not receive full allocations and thus result in deviations from expected performance returns. Please see Investnet's ADV Part 2A Brochure, and Client Agreement for further details. If you have trouble accessing your copy of the ADV, please contact us in writing.

### ***2. 1042 Consulting***

AP offers discretionary investment advisory services for some of its clients who desire assistance with establishing and executing a strategy relating to the acquisition and management of an investment portfolio of Qualified Replacement Property ("QRP") in accordance with Internal Revenue Code Section 1042. AP assists clients seeking such a strategy to identify and purchase qualifying securities, determine if financing is needed for purchasing QRP, provide ancillary services, such as coordinating and negotiating with various financial and investment firms and other third parties in connection with the acquisition of

QRP, and to prepare statements of purchases and summary reconciliations to assist clients with administrative requirements.

With respect to the 1042 Consulting program, AP charges a fee for the services plus brokerage commissions if a securities brokerage account is established by the client with AP. If a brokerage account is established it will be assessed other charges associated with conducting a brokerage business, including charges imposed by third parties. Please refer to Fee Schedule Item 5 – Fees and Compensation for additional information concerning these charges.

### ***3. Third Party Advisor (“TPA”) Investment Management Program***

AP makes available a TPA Program where a client directly engages a TPA for the discretionary investment management of client Account(s) assets for which client enters into an advisory agreement with AP and with one or more third-party RIAs or sub-advisors (“Investment Managers”) to offer the investment management and advisory services to clients of AP. Under this Program, the client may: 1.) select a TPA of their choosing without any recommendation by FA or 2.) work with their FA to review and select the best Investment Managers for their situation.

For the TPA Program, AP’s advisory fee is paid by client separately and then the applicable Investment Manager sends an invoice for their fee to AP, as detailed in client agreement. For &Partners Advisory Program, a combined fee is charged that varies based on options chosen and covers Envestnet Platform fees, AP Advisory fees, TPA Fees, Tax overlay fees and other fees as noted in the Client Agreement, this ADV brochure and Envestnet’s ADV 2A Brochure.

For the &Partners Advisory Program, AP performs due diligence on the Investment Manager platform as discussed in detail further in this brochure. For any TPA Program recommendation made by the FA, additional due diligence will be performed on the recommended Investment Manager by the FA. Additional information regarding these advisory arrangements will be disclosed at or before the time the client executes Client Agreements via delivery of the Form CRS and Form ADV Part 2A for AP and Form CRS and ADV Part 2A for the respective Investment Manager. The Investment Manager is responsible for delivering its own Form CRS and ADV Part 2A to the client. If client does not receive Form CRS and/or ADV Part 2A from the Investment Manager, they may request in writing that AP provide one to them, free of charge.

In some cases, AP and its representatives have and will provide broker-dealer or investment services to the Investment Managers or their clients, including but not limited to executing trades of stocks and bonds for accounts not associated with the other TPA Programs, for which both AP and the Investment Manager are compensated. **Please note that payment of such compensation to us and our FAs creates a conflict of interest and provides an incentive for us to recommend Investment Managers who obtain additional investment services or recommend that their clients obtain such services from us. Although we and our FAs are committed to acting in your best interests, the existence of such compensation could encourage us to make an unnecessary referral or cause us to withhold information about an alternate option that does not provide equivalent compensation.** We address this conflict by requiring any FA making such a referral to adhere to our Code of Ethics and via delivery of this disclosure to you.

Under this advisory program, and when agreed to in the Client Agreement, in addition to the advisory fee, AP will charge certain transaction and custody fees as indicated in AP’s Miscellaneous Fee Schedule, some of which is utilized to cover related charges incurred by AP. Depending on activity in Account, the Account will be assessed other charges associated with conducting business, including charges imposed

by third parties. Please refer to Fee Schedule in Item 5- Fees and Compensation for additional information concerning these charges.

### **Third Party Portfolio Manager Selection**

Investment Managers are generally selected for or recommended to clients by utilizing one of three standards or methodologies. The first is through manager recommendations from trusted industry professionals for different asset models/investment styles in line with client objectives and goals.

The second is done by screening various managers with whom our FAs are familiar. The managers are analyzed based on various characteristics, including but not limited to, investment style, performance and risk. Due diligence information is gathered and reviewed.

The third methodology is through the utilization of other due diligence and manager selection platforms that are provided by third party service providers, including but not limited to Envestnet, Due Diligence Works “DDW,” Conrad and iCapital. For complete details regarding the investment philosophy, due diligence program and methodology used by these firms, you should refer to Form ADV and/or other disclosure documentation which is made available by the respective firm or inquire with your FA.

All third-party managers are subject to annual due diligence reviews by AP or a manager selection platform for which information is collected on the respective Investment Managers. Other than the diligence steps described above, we assume no responsibility for client’s selection of Investment Manager or the suitability of the recommendations or trades made by any Investment Manager. Where we have outsourced due diligence efforts to a third party, we in turn conduct due diligence initially and annually on the services provided by that third party.

### **Performance Review**

Neither AP nor any third-party reviews the portfolio and/or Investment Manager performance information to determine or verify its accuracy, its compliance with presentation standards, or to compare it with other manager performance. Additionally, in considering this performance information, you should be aware that it may not be calculated on a uniform and consistent basis.

### **Information about Fees**

AP will generally assess advisory clients a negotiable fee that will, in most cases, consist of one or more of the following:

1.) an Advisory Fee, which is generally based on a specified percentage of the client’s assets under management or may be a flat annual fee agreed to by client; 2.) transaction fees / commission which depending on the program selected and securities traded are in addition to the advisory fee, some of which is utilized to cover brokerage charges incurred by AP. AP or FA will also typically directly or indirectly receive additional revenues as described within this Brochure.

### **Advisory Representative Disclosure**

AP shares the compensation it receives from client participation in the programs described in this Brochure with the FA who recommends the advisory program to the client and/or provides ongoing services within the program. The amount of this compensation is generally more than what the FA would receive if the client participated in our other programs or paid separately for investment advice, brokerage, and other services. Therefore, FAs and AP have a financial incentive to recommend the advisory program over other programs or services. However, AP attempts to mitigate this conflict of interest through an initial review of the suitability of the recommendation to use the advisory program as

well as periodic reviews of advisory Accounts to confirm compliance with applicable laws and AP's internal policies and procedures. FAs are required to complete a suitability form which details the additional services and attention which is given to an Account over and above any transactions.

## ***Other Advisory Services***

### **Overview**

In addition to the investment management advisory services described above, AP also offers the following advisory services through certain FAs when selected by the client:

- Furnishing Advice Not Involving Securities
- Financial / Tax Planning
- Estate Administration Consulting
- ERISA 3(21) Investment Adviser Services
- Retirement Plan Educational Consulting Services
- Retirement Plan Participant Discretionary Account Management
- Research Report Services
- Publication of Newsletters or Periodicals
- Educational Seminars
- Consulting

### **Furnishing Advice Not Involving Securities**

AP's financial planning services described above may include advice to individual clients relating to non-securities matters such as savings plans, spending habits, etc...

### **Financial and Tax Planning**

AP also offers financial advisory services to clients, including general financial and tax planning on a negotiable flat fee basis.

### **Estate Administration Consulting**

AP offers services and advice to clients' personal representatives and/or their beneficiaries regarding estate asset valuation and asset division/transfer, for a negotiable fee as agreed to by all parties.

### **ERISA 3(21) Investment Adviser Services**

AP offers non-discretionary "investment advice" within the meaning of ERISA 3(21). Such services include but are not limited to analysis and advice to the plan sponsor of its ERISA 3(21) plan clients. AP is not responsible for the investment management of any ERISA 3(21) plan investment assets, and does not have investment discretion with respect to these accounts. We refer to our services as ERISA 3(21) Investment Adviser Services. AP tailors the ERISA 3(21) Investment Adviser Services to the specific services requested by an ERISA plan sponsor. At client's request these services may be comprised of various non-discretionary investment advisory services as well as non ERISA 3(21) education or support which may include but are not limited to any or all of the following services:

- Providing investment education, educational materials and enrollment services;
- Providing Retirement Plan Fiduciary educational, meeting and planning support;
- Assisting Plan Sponsor with meeting "broad range of investment alternatives" requirement under ERISA Section 404(c);
- Performance Monitoring and assessment of investments/assets, selected by Plan Sponsor and offered to Plan Participants;

- Assisting Plan Sponsor in the event the Sponsor chooses to make a change to recordkeeper;
- Participant Education Meetings with Plan Sponsor;
- Investment Assessment and Recommendations in accordance with Client Agreement; or
- Investment Policy Statement Consultation in accordance with Client Agreement

### **Retirement Plan Educational Consulting Services**

AP offers non-3(21) services to provide information and educational materials to eligible participants of Retirement Plans. These services are not considered to be the rendering of investment advice for a fee for purposes of the Investment Advisors Act of 1940 or ERISA section 3(21)(A)(ii) as explained in U.S. Department of Labor Interpretive Bulletin 96-1 nor the Investment Advisors Act of 1940 and AP nor any of its FAs are considered a fiduciary of such Plans under ERISA 3(21) when providing these services. At client's request, these services may be comprised of various non-discretionary investment advisory services, which can include but are not limited to any or all of the following services:

- Providing investment education and educational materials;
- Performance Reporting on assets, selected by Plan Sponsor and offered to Plan Participants;
- Assisting Plan Sponsor in the event the Sponsor chooses to make a change to recordkeeper; or
- Participant Education Meetings with Plan Sponsor.

### **Research Report Services**

A related person of AP prepares a weekly market commentary and generally charges a fee of \$500.00 a month for this service. This report is technical in nature.

### **Publication of Newsletters or Periodicals**

Related persons of AP prepare newsletters, market commentary pieces and economic outlook reports which are periodically made available to clients and prospective clients.

### **Retirement Plan Participant Discretionary Account Management**

We provide an additional service for employer-sponsored retirement accounts not directly held in our custody, but where we can leverage a third party platform provider to allow us to trade in the retirement plan account on behalf of a client. When the client elects this program, client will pay AP a fee for such services and will grant AP discretionary authority to manage client's account through a platform. In this program, the FA collects information on client's goals and objectives for client's account as the basis for ongoing management. AP may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. We regularly review platform providers, and investment options for such accounts such that we may effectively monitor and trade to implement strategies consistent with other of our advisory programs.

### **Educational Seminars**

Related persons of AP hold Educational Seminars, several times per year. Topics presented in each seminar include Retirement Planning, Estate Planning, and General Market Overview

### **Investment Objectives**

The clients' investment objectives are initially determined based upon financial and non-financial information furnished by the clients, together in consultation between the clients and their FA. It is the obligation of the client to update FA when client's circumstances or goals change so those changes(s) (if any are necessary) can be made to client's Account. Copies of the financial information and the investment objectives are furnished to any selected third-party investment managers if requested, in writing, by the client.

### **Termination**

Generally, the relationship between AP and its clients can be terminated by either party upon 30 days written notice.

### **Education**

Our FAs are expected to have education and/or business backgrounds that enable them to perform their respective responsibilities effectively. In associating with each FA, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. Client is encouraged to review FA's Form ADV Part 2B Brochure Supplement for additional information on each FA. Ongoing education is required and is provided to FAs by AP or certain product or platform sponsors some of which are used in or with client Accounts.

## **Item 5- Fees and Compensation**

### **Fee Types**

Based on the services offered, client is assessed fees and we are compensated for investment services by the following means:

- A percentage of Assets under Management
- Hourly charges
- Subscription fees
- Fixed fees (other than subscription fees)
- Commissions
- Transaction Fees
- 12b-1 Fees and other fees paid by third parties to AP

### **Fee Schedule**

Although many fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below. These fee schedules were created in contemplation of the receipt by AP or FA of the additional revenues described in this Brochure. Please note that the fees described herein may not be assessed at other Firms. Additional transaction and custodial related fees are listed on our website <https://www.andpartners.com>

Fee Type	Fee Cost	Fee Charged
Advisory Fee	The client shall pay an advisory fee based on a percentage of assets under management, to be capped at 3.0%. Other fees associated with conducting brokerage business may also be charged. (see Transaction Costs and Fees, etc... and Third Party Fees below). In certain circumstances and upon written	Generally, paid in advance on a monthly basis, as agreed to by Client and AP

	agreement with Client a negotiated fixed fee for Advisory Services may be paid.	
Financial Planning Fee	These services are billed at a fixed fee as agreed upon with client. AP may waive its fee in its sole discretion. An initial negotiable deposit may be required upon engagement with the client, with the remaining fee due upon delivery of the financial plan to client.	As agreed to by Client and AP
1042 Consulting Fee	These services are charged a fee as agreed upon with client. In addition, brokerage commissions may be charged in the event the client establishes a brokerage account with AP to purchase securities. Additional fees associated with an account opened with AP are detailed below. (see Transaction Costs and Fees, etc... and Third Party Fees below)	As agreed to by Client and AP
Retirement Plan Participant Discretionary Management	A combined fee not to exceed 2.0% is charged for this service a portion of which is paid to a platform/service provider based upon negotiated rate between AP and the platform/service provider. The fees are calculated based on daily account value or ending period value.	As agreed to by Client and AP
ERISA 3(21) Investment Adviser Fee and Educational Consulting Fees	The fees for this service are generally paid to AP by the plan sponsor as agreed to in advance. Fees can be asset-based, fixed ongoing or one-time fixed.	As agreed to by Client and AP
Consulting	Negotiated flat fee or asset-based fee	Paid as negotiated and agreed to by Client
Brokerage and Referral Fees	See Section “Client Referrals and Other Compensation” for information regarding brokerage fees.	Additional details available upon written request
Transaction Costs and Fees, Service Charges and Fees, Third Party transaction and clearing costs, other Direct Out-of-Pocket Costs incurred as a result of AP providing services in	In addition to an advisory fee, transaction fees/ commissions will be assessed as disclosed. Additionally, in some cases, bonds are purchased as principal with a markup, in which case	Contemporaneously at time of trade, billable event or incurrence of cost by AP. Please contact us in writing for further details which can also be found on our website

<p>accordance with Client Agreements</p>	<p>written disclosure is made and client consent is obtained prior to the transaction. Bonds are primarily purchased on an agency basis and may charge a commission if disclosed and agreed to by client. AP will receive transaction-based compensation from clients from such transactions. A \$5/quarter fee will be assessed for any account that is not enrolled in electronic delivery for both statements and trade confirmations. Partial enrollment will result in the Account being assessed the full fee. This charge for paper documents is not necessarily reflective of actual postage costs and incorporates extra expense intended to offset the added burden of mailing paper documents as compared to sending them electronically. IRA Custodial Fees of \$35 will be assessed annually to client Accounts.</p>	<p><a href="https://www.andpartners.com">https://www.andpartners.com</a> Additional details available upon written request.</p>
<p>Third Party Fees incurred in the course of AP providing services in accordance with Client Agreements</p>	<p>Transfer taxes, regulatory execution fees or other charges mandated by law will be separately charged to the client's Account. AP will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by AP in providing its investment advisory services to clients. These include, but are not limited to Black Diamond Performance Reporting fees, mutual fund surcharge fees in connection with purchase of certain share classes which may appear as a service charge, transaction fees related to securities transactions within the Account, reorganization fees, clearing costs and other out-of-pocket expenses incurred by AP. AP will also, when applicable,</p>	<p>Contemporaneously at time of trade, billable event or incurrence of cost by AP. Please contact us in writing for further details which can also be found on our website.</p>

	<p>be entitled to 12b-1 distribution fees, servicing fees, sub-accounting fees, management fees, expense risk, administration fees, and contingent deferred sales charges (CDSC charges) that are incurred even if the shares are converted to a different share class rather than sold within a particular period of time.</p>	
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**Advisory Fee Computation**

Please refer to your applicable Client Agreement for terms and calculation of fees. For Accounts managed on Envestnet’s platform, please see Envestnet’s Terms and Conditions and AP Client Agreement regarding fee calculation.

**Employee Accounts and Pro Bono Accounts**

With regard to employee and/or employee-related Accounts and certain other Accounts, the advisory fees are generally less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee. Advisory fees for Accounts may be waived at the discretion of the FA for reasons which may include but not be limited to familial relationships and Accounts within a household.

**Mutual Funds**

To the extent mutual funds are selected to fill components of the overall investment strategy, the advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an Account with mutual funds including 12b-1 fees and expenses. Generally, it is the Firm’s policy that 12b-1 fees and other revenue generated from mutual fund holdings beyond the advisory fee not be paid to the FA or to the Firm and that if they are paid to the aforementioned parties, they be credited to the Client Account, except as otherwise described within this Brochure.

In some circumstances, the Firm and or the FA receive 12b-1 fees, but receipt of such fees is disclosed herein. Client is advised that, in addition to the advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear such expense. Mutual Fund and ETF securities carry inherent costs and expenses for operating, redemption, and management. They may also be subject to contingent deferred sales charges (CDSC charges) that are incurred even if the shares are converted to a different share class rather than sold within a particular period of time. The lowest priced share class may not be available to you based upon agreements between AP and the clearing firm and the mutual fund company. AP has incentive, and therefore a conflict, to offer share classes which either pay AP or its FAs additional compensation or where the mutual fund company directly or indirectly defrays administration burden or expenses AP or the FA would otherwise incur. Additionally, the most suitable share class may not be the lowest priced share class, depending upon a particular client’s situation. Further, if your Account has transferred to AP from another Firm, you may be in a share class that pays a 12b-1. To address these conflicts, AP makes this disclosure to you, maintains its code of ethics, generally credits 12b-1 fees to client Accounts and AP endeavors to convert, where possible, into a lower cost share class, any mutual fund paying a 12b-1 fee; however, conversions will not take place immediately and may not take place for several months following transfer of your assets to AP. Certain share classes and fund families will pay to NFS a fee

which is shared with AP, or will pay AP some form of revenue sharing payment. These payments create a conflict of interest and dual layer of fees which will be captured by AP as it relates to these mutual funds in your advisory Account and incentivizes AP and its FAs to recommend and offer these mutual funds. This conflict is mitigated via this disclosure to you and maintenance of our Code of Ethics. Additionally, the underlying mutual funds also assess charges to the client. Please contact us in writing to request additional information on these fees.

Firm procedures contain a process by which mutual fund share classes available for advisory clients are periodically reviewed. Different classes of mutual fund investments assess different fees. As a fiduciary, AP and the FAs advise clients as to the most suitable share class for a particular client and use the most suitable share class when exercising discretion, but the most suitable share class may not be the lowest priced share class, depending upon Account type and a particular client's situation. However, we generally will not recommend or use discretion to purchase any share class that pays a load or a 12b-1 fee.

### **Transaction Costs and Fees**

Certain transactions or activities in client Accounts will be charged a commission and/or a transaction fee, in addition to the advisory fee. Please refer to the Fee Schedule above, or contact AP, in writing, for more information on these transaction charges.

### **Fee Disclosures**

Advisory fees are generally negotiable at the discretion of the FA, which may result in different fees being charged for Accounts similar in makeup and objectives. Consideration may be given to other accounts related to, or affiliated with the client, which can result in lower fees being charged for Accounts similar in makeup and objectives. Based upon your investment portfolio and investment strategy implemented, the costs associated with an advisory Account will, in most cases, exceed the commissions you would pay for brokerage services only.

### **Bank Deposit Sweep Program ("BDSP")**

When your Account is maintained at NFS and you have not opted out, your free credit balance will be automatically deposited or "swept" into a deposit account at one or more banks whose deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation ("FDIC") (the "Sweep Program").

AP does not make available other sweep programs for eligible Accounts which, in most cases, would pay clients on client Account deposits within such sweep program more interest. As further described below, AP also captures most of the earnings generated from program banks participating in the Sweep Program to defray AP's expenses in administering the Sweep Program, and as profit, in lieu of paying this revenue to client Accounts. Not all RIAs require that clients, who elect to use a sweep program, use one administered by the RIA, that generates additional revenue for the RIA, or that generates as much revenue for the RIA as the Sweep Program. AP addresses these conflicts by encouraging clients to review AP's Sweep Program disclosure document and this disclosure and consider programs offered by other firms before using or continuing to use AP Accounts or the Sweep Program.

In the Sweep Program, the Firm has established deposit levels or tiers which ordinarily pay different rates of interest depending on deposit balances. Generally, Program Accounts with higher deposit balances receive higher rates of interest than Accounts with lower balances. The interest rate payable to you is determined by us and is based on the amounts paid by the Program Banks to obtain the deposits. The Program creates financial benefits for us, our affiliates, and NFS. The combined total fees that your broker-dealer and NFS earns will be the greater of 1.25%, or the Federal Funds Target Rate (as can be

found online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.25% as determined by the total deposit balances at all of the Program Banks over a 12-month rolling period. AP and NFS will earn fees that are higher or lower than that amount from individual Program Banks. Interest paid on the deposit accounts will, in most cases, be lower than the rate of return on (i) other investment products that are not FDIC insured, such as money market mutual funds and (ii) on bank deposits offered outside of the BDSP. Your FA does not directly receive any portion of the fees paid by the Program Banks, but most FAs are also indirect owners of AP, through its holding company parent, and will receive income indirectly as an owner.

The income AP will earn from Program Banks based on your balances in BDSP will in almost all circumstances be substantially greater than the amount of interest you earn from the same balances. As such, AP receives a substantially higher percentage of the interest generated by deposit balances in the BDSP than the interest credited to your Account(s). When evaluating whether to utilize the Sweep Program and the extent to which our fee exceeds the interest rate you receive, you should assume that we are receiving the Maximum Program Fee described above.

Eligible Account types, including ERISA Accounts, include all Accounts except ERISA Title 1 Accounts, Keogh plans and Accounts with non-US addresses. Free credit balances swept to a deposit account will earn interest that is compounded daily and credited to your Program Account monthly. Interest begins to accrue on the date of deposit with the banks participating in the program (“Program Banks”), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 or (1/366 in a leap year) of the posted interest rate.

Except for certain ineligible Accounts, the only cash sweep option available through &Partners Accounts held with NFS is the BDSP vehicle. Free credit balances in BDSP-eligible non-retirement Accounts that have elected to opt-out of the BDSP will be held in free credit balances (not swept) that do not generate any interest or return on the balance. BDSP-eligible retirement Accounts do not have the ability to opt-out of the bank deposit sweep, as retirement Account assets may not be held in free-credit balances. You must notify your FA to remove your Program Account from participating in the Sweep Program. In addition, there are always non-sweep alternatives (i.e. ticketed securities) for the short-term investment of cash balances beyond program minimums, including non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit, that offer higher returns than the sweep options that may be made available.

For more information on the BDSP terms and eligibility please visit our website to view the BDSP Disclosure Document <https://www.andpartners.com> or contact us in writing for a copy to be sent to you, free of charge.

### **Money Market Mutual Funds**

For Accounts that are ineligible for BDSP and free credit, such Accounts will be able to elect money market sweep as an alternative. For discretionary Accounts, the money market sweep will be selected by your FA. Otherwise, your FA will recommend an option, upon request. AP is paid compensation, by NFS, for certain money market fund balances, which is compensation that is received in addition to the advisory fee paid on these same balances. Higher interest rates are available on some alternative money market funds which may not be the fund used as the default sweep for the Client. Client may contact FA for additional information on reasonably available money market fund alternatives and the current interest rates, at any time. Once a money market sweep option is elected, any free credit balance in the brokerage Account will be automatically invested into the sweep product selected and any debits in the brokerage

Account will also be covered automatically by redemptions, to the extent that a balance in the money market sweep product is sufficient to cover the debit balance.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, there is no guarantee it will do so. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. For additional information about the money market sweep, please contact us in writing.

### **Material Conflicts of Interest Related to the Sweep Program**

Because AP is only making available a sweep program administered by AP, for eligible Accounts, and sets the interest rates as well as other features that generate significant revenues for AP, a conflict of interest exists. A conflict of interest also arises because AP will, in most cases, earn more compensation from cash balances being swept to or maintained in the Sweep Program than if you purchase other investment funds or securities. The more client deposits are held in the Sweep Program, and the longer such deposits are held, the greater the compensation we, our clearing firms, and the third-party administrator receive. By investing through an advisory Account, the compensation we receive from the BDSP and money market funds, as applicable, is in addition to the advisory fees and all other program fees, as disclosed in Item 5 above, that you pay. This means that we earn two layers of fees on the same cash balances in client advisory Accounts. In addition, a conflict of interest arises as a result of the financial incentive for the Firm to recommend and offer a Sweep Program over which it has control of certain functions. AP has the ability to establish and change the money market fund utilized for sweep, establish and change interest rates paid on BDSP balances, to select or change Program Banks that participate in the BDSP and to determine the tier levels, if applicable, at which interest rates are paid, all of which generate additional compensation for AP. AP or its FAs also have the ability to recommend the Sweep Program or use discretion to move funds into the Program. The FA who makes investment recommendations for your Account does not receive any direct compensation from the payments received in connection with your sweep vehicle, but will receive indirect compensation as part owner of AP, through its holding company parent. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest and that managed account strategies are consistent with your investment objectives. For more information about this service and benefits that we receive in connection with such deposits, please refer to the BDSP Disclosure document, which you can request, in writing, from AP or access via our website. Given the conflicts discussed above, each client should consider the financial impact of the Sweep Program to both AP and the client, when evaluating total fees and compensation paid to AP.

### **Conflicts of Interest**

In addition to the compensation for investment services described above, we are also compensated for providing other financial services as described in Sections: “Other Financial Industry Activities and Affiliations” and “Client Referrals and Other Compensation”. Our charges or revenues received for investment services and for other financial services will typically exceed the costs AP and our FAs incur in providing those services. **This profit incentive creates a conflict of interest that could influence AP and its FAs to recommend opening or maintaining Accounts that have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to AP or its FAs.**

AP has established various policies and processes to address these conflicts of interest, including the following:

- Disclosure to our clients of investment advisory fees;

- Disclosure to our clients of monetary benefits received by AP in connection with BDSP and money market sweep as well as certain money market and mutual funds;
- Disclosure to our clients of additional fees charged for brokerage services;
- Disclosure of 12b-1 Fees and CDSC charges;
- Procedures governing brokerage practices;
- Disclosure of compensation AP will receive for the hard dollar arrangements and referral of clients to certain third party providers;
- Suitability review process at the time an Account is opened and periodic Account reviews after an Account is opened;
- Maintenance and enforcement of our Code of Ethics

It is the Firm's policy to seek, for its clients, the best possible executions, at all times, and in all types of securities' markets. It is currently the Firm's policy to predominantly act on an agency basis for customer transactions. In the event the Firm must act as principal, such transactions will be agreed to, by the client, in advance of each trade. Best Execution scrutiny is given to those agency orders and executions on behalf of our clients. As part of the Firm's trade review process, periodic reviews of executions handled for customer orders will be reviewed for Best Execution and/or Prevailing Market Price by the appropriate Qualified Supervisor of the Firm. Additionally, execution scorecards for certain securities are reviewed by the Firm and made available on the Firm's website.

## **Item 6- Performance- Based Fees and Side-By-Side Management**

### **Overview**

AP does not currently offer performance fee arrangements

### **Side-By-Side Management**

We do not currently engage in Side-By-Side Management.

## **Item 7- Types of Clients**

We offer portfolio management and investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals/ families
- Retirement Plans, including but not limited to pension and profit-sharing plans
- Charitable organizations
- Foundations
- Universities
- Trusts/Estates
- Private business owners
- Corporations/Partnerships

## **Item 8- Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

### ***Analysis Methods***

Security analysis methods utilized by AP and our FAs, depending on FA's professional judgment and conversations with client, will include one or more of the following:

## **Fundamental**

Fundamental analysis maintains that markets may misprice a security in the short run, but that the “correct” price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a business’s financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

## **Technical**

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

## **Quantitative**

The use of models, or algorithms, to evaluate assets for investment. The process usually consists of searching vast databases for patterns, such as correlations among liquid assets or price- movement patterns (trend following or mean reversion). The resulting strategies may involve high-frequency trading. The results of the analysis are taken into consideration in the decision to buy or sell securities and in the management or portfolio characteristics. A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect.

## ***Sources of Information***

The main sources of information that AP or FA uses to analyze these investment strategies are:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC Company press releases
- Electronic Subscriptions

## ***Investment Strategies and Trading***

The different investment strategies that may be utilized by AP for your advisory Account(s) may involve different types of trading activity, which in turn could have tax consequences for you. For example, more aggressive investment strategies often involve more frequent trading, which in turn results in more frequently realized gains or losses. Typically, the trading activity and asset allocation associated with an investment strategy will fall into one or more of the following categories:

- long term purchases (securities held at least a year)
- short-term purchases (securities sold within a year)
- frequent trading (securities sold within 30 days)

## ***Investment Strategy Risks***

### ***General Risks***

#### **Lack of Diversification**

Portfolio investments may be concentrated and diversification may be limited. There are no limits with respect to position sizes. Concentrated portfolios may be more exposed market value fluctuation than more diversified portfolios; however, diversification does not ensure against a loss.

### **Liquidity**

The Portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period. Illiquid securities are typically not available to you if you have an unexpected cash need which requires you to liquidate those investments. Please consult with your FA regarding your liquidity needs so they are considered in your overall investment strategy.

### **Cash and Cash Alternatives**

Accounts may maintain significant cash positions, including sweep and free credit balances, from time to time and the client will pay the advisory fee based on the market value of the cash positions. AP believes that maintaining a minimum cash position in an Account can help address potential client immediate liquidity needs, advisory fees or Account expenses without liquidating other holdings. Other cash beyond the minimums may be for anticipated client liquidity needs or be cash awaiting investment. The Account may forego investment opportunities by holding cash positions. Cash positions used through AP will in most cases generate less interest or rate of return than other available investment options. In volatile markets, larger cash positions may reduce losses sustained by an investment portfolio. Conversely, in positive markets, or where interest rates are higher, larger cash balances may underperform investments in money market securities or other cash alternatives. Certain programs or strategies within programs at Envestnet require a minimum 2% cash balance. This creates a conflict of interest as AP has established this minimum and required that this minimum balance be placed in the sweep program for eligible Accounts. As described above, AP is receiving layered monetary benefits from the cash balance – revenue from sweep and free credit positions as well as revenue from the advisory fees assessed on those cash balances. Not all RIAs require minimum cash balances in advisory accounts and we encourage you to discuss whether investing or continued investment in Accounts that require minimum cash holdings is best for your situation. We mitigate this conflict via this disclosure to you.

### **Leverage**

Leverage may be utilized within your investment strategy and may be obtained through various means. The use of short-term margin may result in certain additional risks to Accounts. For example, should market value of the Account decline, a margin call may be issued pursuant to which 1.) additional funds would be required to be deposited with AP or 2.) a mandatory liquidation would be required to satisfy the margin call. The client would be responsible for any tax liability incurred from said mandatory liquidation. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Account(s) may therefore also suffer additional and significant losses. Although borrowing money increases returns, if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage will decrease returns if returns earned on such incremental investments are less than the costs of such borrowings.

AP offers various sources of lending and margin, through third-party lending partners, and will earn a portion of the fees charged to investors for use of some of these lending programs. The interest rate charged by AP includes both the interest rate charged by the third-party lender and any revenues shared by lender with AP and your FA. Interest rates may be discounted by the client's FA and are, to a certain extent, negotiable based on lending balances and other considerations. Clients are encouraged to discuss interest rate discounts with their FA, based on the circumstances and balances of their Account(s) and loan(s), negotiated advisory fees, and anticipated complexities associated with the FA's management and servicing of their Account(s). Also, AP will charge an advisory fee on the gross value of your Account, so recommending the use of leverage, increases the gross Account size and therefore our advisory fee. The receipt of this compensation is a conflict of interest because it creates incentives for us to recommend leverage when it may not be suitable for your Account and to recommend sources of leverage where we

earn additional income. We address this conflict through an initial suitability review of any recommendation to use leverage and the source of that leverage, ongoing review of Accounts utilizing margin/lending, maintenance of our Code of Ethics, and this disclosure to you. Clients are not obligated to obtain lending or margin through these lenders or related to clients' Account(s).

### **Interest Rate Fluctuations**

Securities purchased or recommended with your advisory Account(s) may be sensitive to interest rate fluctuations. Fluctuations in interest rates can negatively impact the valuation of your investments. In addition, rising interest rates will increase your carrying costs associated with margin and lending.

### ***Long term Purchases (securities held at least a year)***

#### **Liquidity**

The portfolio can be invested in both liquid and illiquid securities. For purchases made with a long-term objective in mind, such securities often are not as liquid as securities purchased with a short-term investment goal, and therefore may be subject to liquidity risk, meaning that it may be difficult to sell such securities without a material discount or increased transaction costs if the securities are sold in the short term. Additionally, it is possible that such securities may lack liquidity during the holding period, meaning that they are not easily bought and sold and could cost the client more to process transactions. Clients should discuss with their FA if they intend to hold illiquid investments in their Account(s) or infrequently make changes if a commission-based option may be in their Best Interest instead of an advisory program.

### ***Short-term purchases (securities sold within a year) and Frequent Trading (securities sold within 30 days)***

#### **Market Risks**

The success of a significant portion of these programs will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the short-term purchases or trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of these programs may decline for many reasons including other market participants developing similar programs or techniques.

#### **Frequent Trading is Speculative**

There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments intervene, directly and through regulation, in certain markets, with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial markets and such intervention (as well as other factors) may cause these markets to move rapidly.

#### **Options and Other Derivatives**

We may purchase or sell options, warrants, equity-related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The use of options may be to enhance the volatility and potential returns in a portfolio or may be a hedge to attempt to reduce those elements. The effectiveness of purchasing or selling stock or index options as a hedging technique depends upon the extent to which price movements in the portion of the Account that is hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon

movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets, generally, rather than movements in the price of a particular security. For more information on options trading strategies and risk, please contact us in writing, for a copy of the Options Disclosure Document.

### **Uncovered Risks**

We may employ various “risk-reduction” techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the overall portfolio’s value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions with the intent to reduce risks, unanticipated market movements and fluctuations may result in reduced overall performance as compared to the performance achieved by not engaging in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

### **Utilization of Alternative Investments and Complex Products**

Alternative investment products, including but not limited to hedge funds, commodity hedge accounts, managed futures, exchange traded funds that utilize complex investment management strategies, non-traded investments, and other illiquid or minimum duration products involve a high degree of risk, often engaging in leveraging and other speculative investment practices that may increase the risk of investment loss, may require frequent trading due to the short-term nature of the investment strategy, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge higher fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager. Once purchased, in certain cases there may be no ability to immediately or quickly liquidate these investments which could lead to over-concentration of your portfolio or deviation from your intended investment objective or risk tolerance.

## **Item 9- Disciplinary Information**

AP has no disciplinary information to report, but our predecessor, Wiley Bros.- Aintree Capital LLC (“WBAC”) reports the following:

WBAC accepted a Letter of Acceptance, Waiver and Consent (“AWC”) October 1, 2010 from FINRA in regard to a late trade reporting in violation with Rule G-14 in the first quarter of 2009. WBAC was also fined \$7,500.

WBAC accepted an AWC October 15, 2015 from FINRA in regard to the WBAC’s failure to establish, maintain and enforce a supervisory system and adequate written supervisory control procedures reasonably designed to review and monitor the transmittals of funds from a customer account to employees of the firm. WBAC was also censured and fined \$35,000.

WBAC failed to timely report to the Ohio Department of Insurance two FINRA administrative penalties imposed on WBAC, one in 2010 and one in 2015. On November 24, 2004, WBAC inaccurately marked “no” when asked if it had been involved in an administrative action and in 2012, 2013, and 2015, WBAC inaccurately marked “no” when asked if it has been involved in an administrative action that had not been previously reported to the Department. WBAC was ordered to pay a fine of \$400 and administrative costs of \$100. WBAC paid the fine and the costs in full on August 30, 2016. WBAC executed a consent order relating to the above described allegations with the Ohio Department of Insurance dated June 6, 2016 and paid the \$400 fine and \$100 administrative charge to the Department on August 30, 2016.

In a related matter, WBAC entered into a Voluntary Settlement Agreement with the North Carolina Department of Insurance whereby WBAC paid a fine of \$1,250.00. The agreement was entered into on January 23, 2017 and the fine has been paid in full. This Voluntary Settlement was for the failure to disclose the items referenced above and inaccurately answering questions on Insurance registration and renewal forms.

Additional information regarding each disciplinary event is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 10- Other Financial Industry Activities and Affiliations**

### ***Broker Dealer***

AP is registered as a broker-dealer with the SEC and various state jurisdictions, and is a member of the FINRA. FAs are generally also registered representatives (“RRs”) as to the brokerage activities of AP.

Our broker-dealer will generally be used to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by AP and RRs. Compensation will be received by AP, as a broker-dealer, and/or its RRs when portfolio transactions are effected on behalf of investment advisory clients, and AP and its RRs generally receive compensation as a result of acting in one or both capacities.

Additionally, AP, as a broker-dealer, may act in a principal capacity and buy securities for itself from, or sell securities it owns to clients of AP, at which time commissions and or other markups/markdowns may be charged to those clients. Clients will always be notified and required to provide prior written consent to AP acting in a principal capacity.

### ***Investment Banking***

AP conducts investment banking business, meaning that it acts as a broker in representing clients interested in buying other businesses (“buy-side transactions”) and clients that are interested in selling themselves or their affiliates to a third party (“sell-side transactions”). As such, our broker-dealer and its FAs work with clients to identify prospective third-party targets for buy-side transactions or third party acquirors for sell-side transactions, and assist clients in negotiating the terms of a transaction.

Occasionally, consulting services related to a buy-side transaction, sell-side transaction or valuation is also provided for a fee. The fees for such services typically include a combination of: 1.) fixed fees to be paid upon the achievement of identified milestones, such as the entry of a definitive agreement, for example 2.) fees equal to a percentage of the transaction value upon completion of a transaction, which are commonly referred to as success fees and include an earn out period, for which a fee is due, following the closing transaction, 3.) hourly fees, payable for the amount of time AP and its FAs devote to providing services, and 4.) initial fixed retainer fees, payable at the time a client engages AP to perform investment banking services.

### ***Municipal Advisor/Underwriter***

AP is registered with the Municipal Securities Rulemaking Board (“MSRB”) as a Municipal Advisor. **To the extent AP represents a municipal entity as a consultant or in an underwriting capacity, and recommends those municipal securities to you, there is a conflict of interest as there is an incentive for AP and its RRs/FAs to recommend or use municipal products based on the compensation received, rather than on your needs. Such compensation would include underwriting fees, markups on securities sold to you, when agreed to in advance of purchase, in addition to ongoing investment advisory fees on the Account asset.** We manage this conflict of interest by monitoring the suitability of such municipal product as a portion of your investment needs, and by utilizing municipal products that we believe to be in your best interest.

### ***Institutional Trading***

AP engages in fixed income and equity trading for institutional clients. Such institutional clients may be providers of or affiliates of providers of securities, including but not limited to mutual funds, which are available for investment in client Accounts. This is a conflict of interest as AP earns compensation on trades for these institutional clients, earns compensation for managing your portfolio, and for non-advisory accounts also earns compensation, in connection with the sale of securities issued by these institutional clients, to its clients. We manage this conflict of interest via this disclosure and by managing clients’ assets in accordance with their risk tolerance, investment objectives and by acting in the best interest of each client.

### ***Insurance***

AP and certain of its associated persons are licensed in various states to sell insurance products, which are sold to advisory clients. **When such transactions occur, the associated person receives insurance commissions for such activities. This creates a conflict of interest as there is an incentive for AP or its FAs to recommend insurance products based on the compensation received, rather than on your needs.** We manage this conflict of interest by reviewing insurance purchases conducted through AP prior to client purchase and through this disclosure to you.

### ***Other Activities***

AP can engage in the following activities:

- As a principal, effecting securities transactions for compensation for advisory clients who do not otherwise designate another brokerage firm to perform such services. In this role, AP may buy securities for itself from clients or sell securities it owns to clients. When a principal transaction occurs, we will disclose to the client, in writing before the completion of the transaction, the capacity in which we are acting, and will obtain the consent of the client to such transaction. AP may purchase initial offerings for certain advisory client Accounts who have expressed an interest in the purchase of these issues. Additionally, AP may trade with or acquire securities from other parties that have a financial interest in AP. AP has procedures in place to include its current practice of allocating these offerings.
- As a broker or agent, effecting securities transactions through AP for compensation for advisory clients of AP and RIAs, investment managers or sub-advisors who do not otherwise designate another brokerage firm to perform such services.
- As a broker, effecting agency cross transactions through which client securities are sold to or bought from a brokerage or advisory customer.

- Recommend to clients that they buy or sell securities or investment products in which AP or a related person has some financial interest.
- Recommend to clients alternative investments and private placement offerings, which may or may not be custodied through the Firm’s designated custodian, for which AP is compensated.
- Buying or selling of securities for its accounts or those accounts of its RRs or FAs, which it also recommends to clients.
- Purchasing new issues securities for which AP serves in capacity of syndicate or selling group member and will be compensated as such member. Additionally, AP may trade with or acquire securities from other parties that have a financial interest in AP.

## **Item 11- Code of Business Conduct and Ethics, Participation or Interest in Client Transactions and Personal Trading**

AP has adopted a Code of Business Conduct and Ethics (“Code” or “Code of Ethics”) to ensure that securities transactions by AP’s employees and FAs are consistent with AP’s fiduciary duty to its clients and to ensure compliance with legal requirements and AP’s standards of business conduct. The Code requires that employees obtain prior approval to open brokerage accounts and requires transaction confirmations and quarterly reporting of all personal securities transactions. A copy of AP’s Code is available on our website and upon written request.

Additionally, as a matter of policy AP will not permit itself or its employees to trade shortly in front of or in any manner that is prejudicial or disadvantageous to advisory clients. Similarly, if we are participating in an underwriting or sale of limited partnership interests, we will not generally place these securities in discretionary advisory Accounts without prior consent of client on each transaction. Personal trading by our employees is required to be conducted in compliance with all applicable laws and procedures adopted by us. We allow affiliated persons to participate in aggregate trades when that affiliated person would be entitled to the same execution price as advisory Accounts.

## **Item 12- Brokerage Practices**

### ***General***

AP is registered as a broker/dealer with the SEC and various state jurisdictions, and is a member of FINRA. Per client direction when opening Accounts, AP generally will be used to execute portfolio transactions for investment advisory clients of AP. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by AP and its RRs for said execution. Compensation will be received by AP, as a broker-dealer, or its RRs when portfolio transactions are effected on behalf of investment advisory clients, and AP or its RRs will, in most cases, receive compensation as a result of acting in one or both capacities. Additionally, AP, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of AP, at which time commissions and/or other markups/markdowns may be charged to those clients.

Based upon the similarity of investments among client Accounts having similar investment objectives, and the fact that AP may direct the purchase of securities for more than one Account simultaneously, and the possible appearance of similarity in the treatment of clients, all client Accounts are handled under the following basic conditions, designed to prevent pooling of assets and/or the management of Accounts on a de facto pooled basis, resulting in the existence of an investment company. The custody of Accounts held by the custodians on behalf of AP is structured such that each client’s securities are held in nominee name only for ministerial purposes and each client’s Accounts maintained as a separate Account. The

client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the client's securities in the Account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's Account. Each client may withdraw, hypothecate, vote or pledge securities in their Account upon written notice to AP and each client has the authority to instruct AP from directing the purchase of certain securities through AP that might otherwise be purchased in the client's Account.

## ***Trading Practices***

### **Best Execution**

It is generally anticipated that AP will be designated by the client as the broker-dealer for the execution of securities transactions which are directed by AP. To the extent that we are designated as the broker-dealer, we will execute, as a broker, all purchases and/or sales on behalf of a client's Account, through the client's Account custodian and clearing firm, NFS. For trades directed to AP by the advisory client, AP will use its best efforts to obtain execution on the best terms reasonably available at the client's Account custodian, NFS. When our advisory clients direct us to execute all or a portion of client's transactions effected on their behalf with a specific broker, we typically will not honor such request (see Directed Brokerage section, below). If we do choose to honor the request, we do not negotiate commission rates on behalf of clients unless specifically directed to do so, and we do not determine whether commission rates charged by a broker selected by clients are the lowest available.

### **Batched Trades**

When AP places orders to buy or sell the same security for more than one advisory Account managed by AP, AP generally endeavors to, but will not in all instances, batch/aggregate transactions for such clients for the purpose of obtaining best execution. In practice, most trades that are entered by your FA as portfolio manager are not batched as FAs are making recommendations or using discretion on advisory Accounts without coordination with other FAs. Generally, when transactions are batched, such batched transactions will be allocated proportionally to advisory Accounts for which such security transaction is determined to be suitable based on relative Account size. AP can make exceptions to this procedure due to special portfolio constraints, cash position, client or regulatory restrictions, odd-lot size of an available transaction, or other equitable fiduciary reason. Depending on the circumstances, it may not be possible to receive the same price or time of execution for all of the securities purchased or sold in an aggregated order. Therefore, such aggregated order may be executed in one or more transactions at varying prices and each client's order will not receive the average price for the day with respect to such transaction. NFS clients should review Envestnet's ADV II for discussion of its policies regarding batched/block trades.

### **Trade Error**

When a trade error is made, AP will place an order to correct the trade. The Firm will book the error to the FA, and depending the nature of the error the Firm may retain a gain realized on the correction or may elect to remit some or all of the gain proceeds to the client. If a loss is realized as a result of the corrective action taken, the Firm will not bill that loss to the client. The loss will be charged back to the FA on the Account or the trading department, depending on who was responsible for the error. If a gain, from a trade error, was previously booked to the FA, the loss will be netted against the gain and if the loss exceeds the balance of any prior gain, the expense will be borne by the Firm or party responsible for the error.

### **Directed Brokerage**

While not a requirement of participating as RIA, investment manager or sub-manager for clients of AP or any programs offered, some RIAs, investment managers and sub-advisors utilized by AP may have other advisory clients who custody assets through AP with their Custodian, and as a result of such relationship, AP receives commissions and other compensation from transactions executed in such accounts. See also the discussion in the section herein titled “Third Party Advisor (“TPA”) Investment Management Program.

AP currently offers NFS as its custodial and clearing agent. We do not typically honor requests for usage of different clearing firms or custodians. As discussed earlier, we also maintain and have conflicts related to our sweep program and minimum cash holdings within advisory Accounts. Please note that all RIAs do not require clients to utilize a clearing firm or custodian of RIA’s choice, or require minimum cash holdings or the use of a conflicted proprietary sweep program. Requiring use of a particular clearing firm or custodian, as well as the minimum cash holdings and proprietary sweep program is a convenience to us and will in many cases result in more compensation for AP or the associated FA than if you were permitted to elect a different broker/dealer, clearing firm, custodian or sweep account. We mitigate this conflict through this disclosure to you, and as otherwise described within this document. Also, depending on the securities used within your Account(s) and trading patterns, you may be better off using a clearing firm we are not making available to you. By directing brokerage in this manner we will, in some cases, be unable to achieve most favorable execution of client transactions, and this practice will, in these circumstances, cost clients more money.

Clients participating in certain investment advisory programs managed by portfolio managers not associated with AP may direct (or the third-party portfolio managers may direct) that some or all Account transactions be effected through specific brokers or dealers other than AP. In such case, the third-party portfolio manager or the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. AP assumes no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client’s Account. A client must recognize that client may obtain rates that differ from those offered through AP.

### **Cross-Trade Transactions**

AP may engage in agency or principal cross transactions; however, AP obtains client consent for principal transactions prior to execution. Agency and Principal cross transactions are agreed to within the terms of the Investment Advisory Services Agreement. Client may revoke, in writing, this consent for agency or principal cross transactions at any time. Additionally, to the extent AP acts as a principal and engages in a principal cross transaction, AP will obtain the Client’s permission for such transaction prior to the execution of such transaction.

### **Soft Dollar Arrangements**

The Firm’s clearing firm, NFS, provides research and other services which may be deemed to be “soft dollar benefits” even though the Firm pays for such services. Any such soft dollar benefits are in accordance with Section 28(e) of the Securities exchange Act of 1934.

### **Hard Dollar Arrangements**

The Firm receives, from unrelated third parties, cash compensation in support of and in connection with training, educational or other services provided to FAs, their clients and prospective clients (“Education”). This compensation in many cases exceeds the costs to AP of delivering the Education. This presents a

conflict of interest as FAs and the Firm could be incentivized to promote, to their clients, the products and services offered by such third parties over reasonably available alternatives. We mitigate this conflict through disclosure to you and by managing client assets in accordance with risk tolerance, investment objectives and by acting in the best interest of the client.

### ***Brokerage for Client Referrals***

Currently, we do not direct any advisory clients to third party broker-dealers in anticipation of receiving referrals of advisory clients from such broker-dealers.

### ***Research***

Trades may be done with brokers who are selected based on research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the Account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. AP may compensate brokerage firms which supply computer generated data of its own or that of a third party. Such information is available to assist in the management of all of AP's clients whether or not any commissions are available for use in this matter. Currently AP is not engaged in this type of arrangement.

## **Item 13- Review of Accounts**

All advisory Accounts and initial proposals are reviewed by the supervision staff or their designee. Accounts undergo ongoing review, by Supervision, for suitability, among other things. More frequent reviews may be triggered by written request from the client.

Clients are provided with quarterly Account position statements as required by the FINRA and the SEC. Such Account statements and confirms will be provided by NFS.

## **Item 14- Client Referrals and Other Compensation**

### ***Referral/Promoter Activities***

We will, in many cases, receive compensation for referring you to a third-party service provider, such as another RIA. Separately, for advisory referrals made to AP, we may pay a portion of the advisory fee compensation we receive to those third-parties who have entered into a formal Promotor Agreement ("Promotor Agreement") with AP. In either instance, the amount of the referral compensation will be determined by the agreement between us and the third-party. When we act as the referring party (i.e. AP is referring you a third party), we will deliver to you a disclosure document at the time of the referral. When a third-party acts as the referring party under a Promotor Agreement with AP, the third-party will provide a disclosure document at the time of the referral.

Please note that payment of compensation to us and our FA for recommending a third-party or payments made to a third-party for referrals creates a conflict of interest in that there is a financial incentive to make or receive such recommendations or referrals. Although we and our FAs commit to acting in your best interests, the existence of such referral-based compensation could encourage us or a third-party referrer to make an unnecessary recommendation or cause us or a third-party referrer to refrain from offering alternative options (i.e. other service providers) that do not provide equivalent compensation. We address this conflict by requiring any FA making such a referral and requiring any third-party making such a referral to provide disclosures regarding the compensation arrangement and the related conflicts of interest.

## ***Other Compensation***

### **Cash and Sweep Programs**

Certain money market, municipal money market and government money-market funds pay AP a distribution fee in its capacity as a broker dealer. This includes the aforementioned money markets held within ERISA accounts. Additionally, AP is compensated on the amount of free credit balances in client Accounts and on cash awaiting reinvestment in a sweep program or purchase of a security as well as cash awaiting distribution after being redeemed from a sweep program. AP also receives additional compensation, from NFS, based on client Account balances being held in certain money market funds. The forms of compensation are in addition to other fees, etc. received from client Accounts. A variety of money market funds are available through AP. Money market funds often pay different interest rates from each other.

Most money market funds pay higher interest rates than the rate that is paid by AP's BDSP sweep, alternate money market fund sweep, and free credit options. Clients may contact their FA at any time to discuss alternative options to invest the cash balances in their Accounts beyond the minimums required by Investnet. Cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are generally transferred to the sweep program option (if applicable) on a daily basis. When securities are sold, funds (less any charges) are generally credited on the first business day after the trade date. Due to the foregoing practices, AP realizes economic benefit because of the delay in investing these funds.

### **Margin Loans and Non-Purpose Loans**

To the extent you utilize NFS, CIBC Bank USA, Advisor Credit Exchange, Nationwide or another lender introduced to you by AP for margin loan financing and/or non-purpose loans secured by client Accounts, both the FA and AP will receive interest sharing compensation related to such loans and the markup on the loan interest rate is negotiable with your FA. The receipt of this compensation is a conflict of interest because it creates incentives for us to recommend leverage when it may not be suitable for the Account. We are additionally incentivized to advise you to use margin to increase your portfolio size, because we will base our advisory fee on your overall portfolio market value in addition to the fees we receive on the interest generated by the margin. We have the ability to mark up or otherwise influence the interest rates charged on these programs and thereby increase our compensation. We address these conflicts through review of Accounts for suitability when they apply to use leverage, monitoring of the amount of leverage used within Accounts, maintenance of our Code of Ethics, and this disclosure to you. We also encourage you to negotiate interest rates with your FA when using margin through an AP referred lender and compare other lending sources. You are not obligated to use margin or lending through one of the lenders listed above.

### **Transaction Flow**

When securities are sold, funds may be deposited on the first business day after settlement date. Funds placed in a client's Account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's Account. Due to the foregoing practices, AP will obtain a distribution fee in its capacity as a broker-dealer from the free credit, money market funds or BDSP prior to the date that deposits are credited to client Accounts and thus realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's Account assets, we have no control over the manner in which the cash reserves will be handled. You and/or the custodian will make the determination.

### **Payment for Asset and Order Flow**

In connection with the clearing and custody agreement AP has entered into with NFS, AP receives cash payments, revenue sharing, discounts and rebates from NFS in exchange for increases in customer asset balances (or "asset flows") and securities transactions to/with NFS. Substantially all order execution from AP routes to NFS, which may then route orders to other third-party broker-dealers for execution. NFS will receive compensation from those executing third-party broker-dealers in connection with the order flow that NFS routes to them. Likewise, in certain instances AP may elect to have certain trades directed to specified third-party broker-dealers and receive compensation from those broker-dealers in connection with its directed order flow. These payments for order flow create conflicts of interest for AP and NFS due to the fact that they may influence AP and NFS to direct trades to executing firms that pay such compensation even though AP or NFS may be able to receive better pricing from other broker-dealers. AP will endeavor to obtain the best execution possible given all of the facts and circumstances relating to individual transactions. Such factors include, among other things, the size of the order, the trading characteristics of the securities and the difficulty associated with achieving an execution in a particular market.

The sources and nature of any payments for order flow made to AP for particular transactions in your Account will be furnished upon written request to:

&Partners, LLC 40 Burton Hills Blvd, Suite 350, Nashville, TN 37215.

Please see AP's Rule 606 Order Routing disclosures, located on the Firm's website:  
<https://www.andpartners.com>.

### **Item 15- Custody**

We utilize NFS as qualified custodian for most of our client's assets. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. AP urges you to carefully review such statements.

Although the funds and securities of our clients are held at unaffiliated qualified custodians, there are certain situations where AP is deemed to have custody of some client assets under the SEC's Custody Rule because it deducts fees from certain client Accounts, as described below. Additionally, AP is deemed to have custody when it accepts checks and securities certificates, on behalf of its clients, and forwards for deposit to Account custodian. AP provides investment management services only and the physical safekeeping of client assets is performed by qualified custodians, i.e., regulated financial institutions including banks and broker dealers.

### **Advisory Fees**

Client provides authority to AP, Envestnet and their custodian ("Authorized Billing Parties") to deduct periodic investment advisory fees from the Account(s). Usually monthly, but at least quarterly, the custodian sends statements to the client which show, among other things, the advisory fees paid to AP. We have procedures to monitor that Authorized Billing Parties only remove the fees owed to us from those client's Accounts. You should carefully review your statements to monitor that the fee amount removed is correct and that the Authorized Billing Parties do not remove more than what is due. Similarly, as authorized by Client and upon presentation of invoice, AP will deduct the annual investment management fees on behalf of TPAs. AP is not responsible for verifying the accuracy of the fees presented on invoices from TPAs, so it is important that you review your statements carefully to confirm that the correct amount is being removed from your Account attributable to TPA manager fees.

### **Standing Instructions**

Client may provide AP standing instructions to process transactions on their behalf. AP's qualified custodians distribute required documentation to inform clients when such instructions have been established and updated. The qualified custodian also provides an annual reminder of such instructions. AP urges clients to carefully review all documentation provided by qualified custodian including but not limited to account statements and notices, all of which will notify client when such Standing Instructions are established and modified.

### **Service as Trustee/Executor/POA**

Subject to compliance with AP's procedures, an AP employee may serve as the trustee of a trust, executor of an estate or Power of Attorney for whom AP provides advisory services. AP's procedures limit these situations to those where the employee had a pre-existing personal (not professional) relationship (such as a family member) with the decedent, trust grantor/beneficiary or individual. Pursuant to current SEC guidance, such situations are not deemed to create a custody relationship between AP and the client because of the pre-existing personal relationship. All new engagements of this type are reviewed to ensure compliance with AP's procedures.

## **Item 16 – Investment Discretion**

When selected by you, our standard investment advisory agreement grants us discretionary authority to supervise and direct the investment and reinvestment of a client's Account, making and implementing investment decisions and investment managers, including TPAs, without prior consultation with the client. If AP is not otherwise directed in writing to execute trades through a particular broker-dealer, AP will execute, as a broker, all purchases and/or sales on behalf of a client's Account through NFS, as client has directed via new Account paperwork, or consented to after Account was opened.

## **Item 17- Voting Client Securities**

It is generally our policy not to vote proxies. Client expressly retains the right and obligation to vote proxies relating to the securities held in the Client Account (to the extent Client desires that such proxies be voted); provided however, the Client may delegate in writing under separate agreement, said rights and obligations to a properly authorized agent. Consistent with the foregoing, AP shall not: (a) take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Client Account(s); and (b) advise or act for the Client with respect to any legal matters, including bankruptcies or call actions with respect to securities held in the Client Account(s), except that AP may, in its discretion, file class action claims on behalf of Client with Client's approval.

## **Item 18- Financial Information**

RIAs are required to provide you with certain financial information or disclosures about their financial condition. AP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.