



## **Disclosure Brochure**

(Part 2A of Form ADV)

**Old Port Advisors, Inc. (OPA)**  
**130 Middle Street, 2<sup>nd</sup> Floor**  
**Portland, ME 04101**  
**(207) 774-6552 (phone)**  
**(207) 775-2969 (fax)**  
**[www.oldportadvisors.com](http://www.oldportadvisors.com)**  
**[info@oldportadvisors.com](mailto:info@oldportadvisors.com)**

This brochure provides information about the qualifications and business practices of OPA. If you have any questions about the contents of this brochure, please contact us at: (207) 774-6552, or by email at: [info@oldportadvisors.com](mailto:info@oldportadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about OPA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Current as of: October 22, 2014

***Old Port Advisors, Inc.***

## **Item 2 - Material Changes**

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### **Annual Update**

This section provides a summary of material changes that were made to the Disclosure Brochure since our last annual update. OPA may make interim updates to the disclosure brochure throughout the year.

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### **Material Changes**

We have made the following material changes since the Disclosure Brochure dated August 22, 2014.

The firm has changed its name from Investment Management Consulting Group to Old Port Advisors effective October 22, 2014. Additional information and clarifying verbiage was added to Items 5, 11, 12, 15 and the Business Continuity Plan section. The Firm's Brochure Supplement was separated from the Disclosure Brochure to be maintained as a distinct document.

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### **Full Brochure Available**

To request a complete copy of the most recent Disclosure Brochure, please contact us by telephone at: (207) 774-6552 or by email at: [info@oldportadvisors.com](mailto:info@oldportadvisors.com).

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## **Item 4 - Advisory Business**

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### **Firm Description**

Investment Management & Consulting Group, Inc. was founded in 1994. Effective October 22, 2014, Investment Management Consulting Group, Inc. changed its name to Old Port Advisors, Inc.

OPA provides personalized confidential investment management, financial planning and fiduciary consulting to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Our advisory services are provided through ongoing consultation with the client and may include: determination of financial objectives, identification of financial challenges, optimizing appropriate investment allocations, cash flow management, tax planning, insurance review, education funding analysis, retirement and estate planning as well as employer sponsored retirement plan review and analysis.

Investment advice is an integral part of our wealth management services and is tailored to meet our clients' unique needs based on our ongoing meetings and conversations with them.

OPA places investment transactions with whomever our clients select as their broker/custodian under a limited power of attorney. OPA does not act as a custodian of client assets; our clients have their brokers/custodians hold their portfolio assets and provide the resulting monthly statements.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement and an investment allocation overview. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management and financial planning may be beneficial to the client.

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### **Principal Owners**

At this time, Fredric W. Williams is the Principal Owner and 100% stockholder. Over time other individuals at OPA may have the ability to become additional owners of the firm.

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### **Types of Advisory Services**

OPA provides investment supervisory services, also known as asset management services, manages investment advisory accounts not involving investment supervisory

services, furnishes investment advice through consultations, provides wealth management planning and fiduciary consulting advisory services.

On more than an occasional basis, OPA furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of 12/31/2013, OPA manages approximately \$433,420,467 in assets, including \$425,249,996 managed on a discretionary basis and \$8,170,471 managed on a non-discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships:

***Advisory Service Agreement***

Most clients choose to have OPA manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

***Fiduciary Consulting Agreement***

Many retirement plan sponsors choose to have OPA provide fiduciary advice on their plan investments in order to improve fund selection, reduce plan costs and receive comprehensive participant education programs. All aspects of the sponsored plan are reviewed, most often including investment options, fees, participant education programs, investment policies, recent investment changes, committee records, and plan structure and documentation. Quarterly review meetings are held with the trustees.

The scope of work and fee for a Fiduciary Consulting Agreement is provided to the client in writing prior to the start of the relationship. A Fiduciary Consulting Agreement includes very clearly defined responsibilities of OPA to the plan.

***Financial Planning Agreement***

OPA can be hired to work in a financial planning capacity for ad-hoc and project-based engagements with clients to develop a financial plan.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

### ***Hourly Planning Engagements***

OPA provides hourly planning services for clients who need advice on a limited scope of work.

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### **Asset Management**

OPA's investment discipline includes, but may not be limited by, exposure to: equities (stocks), corporate debt securities (bonds), commercial paper, certificates of deposit, municipal securities, mutual funds, ETFs, closed end funds, as well as U. S. and other government's securities. OPA may also utilize alternative investments, managed futures, options and other types of securities, as appropriate, to meet the needs of specific clients.

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### **Termination of Agreement**

The client or investment manager may terminate an Agreement at any time upon 30-days written notice to the other party. At termination, fees will be billed on a pro-rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

## **Item 5 – Fees and Compensation**

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### **Description**

OPA bases its fees on a percentage of assets under management, hourly charges or fixed fees.

Some *Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are Negotiable. OPA, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical



relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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## **Fee Billing**

Investment management fees are billed quarterly, in *arrears*, meaning that we are paid *after* the three-month billing period has *ended*. Fees are usually deducted from the designated client account at the client's custodian to facilitate billing. The client must consent in advance to direct debiting of their investment account.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.25% on the first \$500,000;

0.75% on the next \$500,000 (from 500,001 to 1,000,000); and

0.625% on the assets above \$1,000,000.

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

A 20% discount is accorded to qualified charitable organizations.

Fees are payable quarterly in arrears, based on the market value of the portfolio on the last business day of the quarter. Fees are pro-rated for accounts opening or closing during the quarter.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan. Any unused portion of fees collected in advance will be refunded within 90 days.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$500.00 and the maximum fee is \$5000.00. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

## **Max fee**

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$175.00 per hour.

The hourly rate for limited scope engagements is \$175.00.

The fees for Fiduciary Consulting services for retirement plans are based on the following schedule and may be negotiable based upon the facts and circumstances:

.25% - .50% of assets base fee, plus may charge an additional education component of 5 to 25 basis points if necessary. These fees are generally paid quarterly in arrears. However there is the option to pay a flat fee which is negotiated at the time of entering into the advisory relationship.

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**Other Fees**

The Firm's advisory and management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that will be incurred by the client. Clients' brokers and/or custodians may charge brokerage commissions and/or transaction fees on purchases or sales of securities. Clients may also be charged other miscellaneous fees for other services including but not limited to: wiring funds, account closing, check request processing, overnight delivery and trade away fees. These other charges will vary according to the agreement each client has with the broker and/or custodian.

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**Expense Ratios**

In certain cases mutual funds, ETF's and closed end funds may be part of a clients' investment portfolio. These investments generally charge internal management fees for their services. The expense ratio is disclosed in each fund's prospectus. It represents the percentage of a fund's assets used to pay the fund's management fee, administrative costs, 12b-1 distribution fees and other operating expenses. An expense ratio of 0.50 means that the fund company charges 0.5% for their services. These fees are in addition to the advisory fees paid by you to OPA. The Firm does not receive any portion of the expense ratio.

The two registered reps of PKS will receive 12b-1 fees through PKS. The third registered rep of PKS that does not receive any 12b-1 fees.

Performance figures quoted by mutual fund companies in various publications reflect net asset value (*after* the fund's fees and expenses have been deducted).

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**Past Due Accounts and Termination of Agreement**

OPA reserves the right to stop work on any account that is more than 90 days overdue. In addition, OPA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in OPA's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 90 days.

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**Item 6 - Performance-Based Fees and Side by Side Management**

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**Sharing of Capital Gains**

Fees are *not* based on a share of the capital gains or capital appreciation of managed securities.

OPA does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for an adviser to recommend an investment that may carry a higher degree of risk to the client.

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

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### **Description**

OPA generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

### **Account Minimums**

The minimum account size is \$100,000 of assets under management.

OPA has the discretion to waive the account minimum. Accounts of less than \$100,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$100,000 within a reasonable time. Other exceptions will apply to employees of OPA and their relatives, or relatives of existing clients.

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

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### **Methods of Analysis**

We structure our investment policy around a macro analysis of world markets, politics, and economies. These factors are then filtered through our combination of technical and fundamental criteria to identify sectors and companies that can be used to meet the varied objectives of our clients. We believe that clients are best served by a management style that identifies all market and sector trends with investment selections, which produce superior risk adjusted returns (above average returns at appropriate risk levels).

**Development of Macro Themes** - The development of our macro themes involves an evaluation of global trends, the analysis of relative levels of economic growth, the direction of interest rates, and the potential impact of political developments. We also study a variety of other related issues that become increasingly more significant as global technology brings national and regional economies closer and makes them ever more interdependent. We then evaluate strategies to translate these themes into appropriate investment concepts within the various capital markets, both domestically and internationally.

**Market & Sector Analysis** – Within each theme, we analyze the anticipated impact this developing concept will have in the various markets and segments of economies. We strive to identify those areas, both globally and in industry sectors, which offer the most appropriate risk-reward ratio for our potential asset allocation deployment.

**Fundamental Analysis of Individual Companies** – Having identified those sectors which we anticipate will benefit most from the development of our macro themes, we screen our database for those companies whose prospects are favorable based on current and projected fundamental valuations. We utilize reported and consensus financial research, as well as additional data to conduct more in depth fundamental analysis and further qualify a company for inclusion in our portfolio universe. Those companies meeting this final screening process become part of our "Concentrated Core" of selected equities for purchase.

Whether for security selections within individualized client portfolio or in the analysis of mutual fund within the investment options of our fiduciary consulting clients, we combine this "top-down" macro-economic overview with "bottom-up" fundamental analysis to identify the relative value opportunities we believe offer the greatest risk-adjusted potential to meet our clients' goals and objectives.

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### **Investment Strategies**

Although each portfolio strategy is designed to meet the articulated goals and objectives of individual clients, our predominant focus is on constructing global, balanced, value oriented investment strategies. This means that most clients own a mix of generally income producing equities (stocks) and short and intermediate term bonds, as well as selected closed end funds and ETFs, all of which will be based both domestically and overseas.

Through OPA's ongoing client reviews and consultations it may be determined that their goals and objectives may change based on their evolving circumstances. This could result in a modification of their individual investment strategies.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. However, investing in securities involves risk of loss that clients should be prepared to bear.

The following risks could affect the value of a client's investment:

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Options Contracts:** Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Alternative Investments (Limited Partnerships):** The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

**Short Sales:** A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

## **Item 9 - Disciplinary Information**

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### **Legal and Disciplinary**

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Financial Industry Activities**

#### **Broker-Dealer Affiliation**

Certain advisory persons of OPA are also a registered representatives of Purshe Kaplan Sterling Inc. of Albany, NY (herein “PKS”). PKS is a registered broker-dealer (CRD No. 35747), member FINRA, SIPC. In their separate capacity as registered representatives, these advisory persons will typically receive commissions for the implementation of recommendations for commissionable transactions such as variable insurance and sales of securities. Clients are not obligated to implement any recommendation provided by these advisory persons. Neither OPA nor its advisory persons will earn investment advisory fees in connection with any services implemented in the separate capacity of these advisory persons as a registered representative where commissions are also earned.

Generally, recommendations made by advisory persons are implemented in their role as Investment Advisor Representatives of OPA and not as Registered Representatives of PKS. In no circumstances will an advisory person earn an advisory fee and a commission on the same investment. In the event that an advisory person will earn a commission on an investment, the advisory fee will be waived for those assets.

#### **Insurance Agency Affiliations**

Certain advisory persons of OPA are also licensed insurance professionals. Implementation of insurance recommendation are separate and apart from an advisory person’s role with OPA. As an insurance professional, the advisory person may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by the advisory person or the Firm.

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

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### **Code of Ethics**

OPA has adopted a Code of Ethics (the “Code”) that is intended to comply with the provisions of Section 204A and Rule 204A-1 under the Investment Advisers Act of 1940. The Code requires all Supervised Persons to adhere to certain standards of conduct. Specifically, the Code requires that these persons: (i) comply with all applicable, laws, rules and regulations, (ii) avoid any conflict of interest with regard to OPA and its clients, (iii) avoid serving personal interests ahead of the interests of

clients, (iv) conduct all of their personal securities transactions in compliance with the Code, (v) report and violations of the Code, and (vi) maintain, as appropriate, the confidentiality of non-public information. OPA will provide a copy of the Code to any client or prospective client upon request.

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**Participation or Interest in Client Transactions**

OPA and its supervised persons may not participate in or have a beneficial interest in any client accounts or transaction.

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**Personal Trading**

OPA and its supervised persons may buy or sell securities that are also recommended to and/or held by clients. Supervised persons may not trade their own securities ahead of client trades. Compliance with the provisions of the *OPA Compliance Manual* is mandatory.

The Chief Compliance Officer of OPA is Tracy Rogers. He reviews all employee trades each quarter except for the two offsite Portfolio Managers whose trades are reviewed by Fredric Williams. In addition Tracy Rogers' trades are reviewed by Missy Lyon. These periodic reviews help ensure that personal transactions do not conflict with the interests of clients or affect the markets. Certain personal securities transactions must be pre-approved according to the Code.

## **Item 12 - Brokerage Practices**

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**Selecting Brokerage Firms**

OPA does have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts since OPA does recommend to clients which custodian to use. However, the client may select a different broker-dealer or custodian (herein the "custodian") to safeguard client assets. authorize OPA to direct trades to these custodians as agreed in the Investment Advisory Agreement. Further, OPA does have the discretionary authority to negotiate commissions on behalf of our clients on a trade-by-trade basis if they use the custodians OPA recommends. OPA does not have discretion if the clients elect to use a non-recommended custodian.

Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a custodian not recommended by OPA. However, since OPA does not have the ability to negotiate the fees charged by other custodians, the client may pay a higher fee from the custodian they selected than if they used an OPA recommended custodian.

OPA may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the clients, services made available to the client, and location of the custodian's offices. OPA does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the client paying higher commissions than those obtainable through other

brokers. OPA recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab Institutional, TD Ameritrade Institutional and Fidelity Institutional.

OPA *does not* receive fees or commissions for effecting transactions through any of these custodians. As an advisor on these institutional platforms, OPA does receive economic benefits that would not be provided directly to a retail investor (See Item 14).

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**Best Execution**

OPA reviews the execution of trades at each custodian each quarter. The review is documented as described in the OPA *Compliance Manual*. Trading fees charged by the custodians are also reviewed on a quarterly basis. OPA *does not* receive any portion of the trading fees.

OPA permits clients to direct brokerage. In these instances, depending on the circumstances, OPA may be unable to achieve the most favorable execution of client transactions. Directing brokerage may cost clients more money.

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**Soft Dollars**

OPA *does not* have an official soft dollar arrangement with any custodians. However, Charles Schwab Institutional, TD Ameritrade Institutional and Fidelity Institutional may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services will assist the Advisor in its investment decision making process. Such research generally will be used to service all of the Advisor's clients, but brokerage charges paid by the client may be used to pay for research that is not used in managing the client's account. The account may pay to a Broker-Dealer a charge greater than another qualified Broker-Dealer might charge to effect the same transaction where the Advisor determines in good faith that the charge is reasonable in relation to the value of the brokerage and research services received.

There may be other benefits from recommending Charles Schwab Institutional, TD Ameritrade Institutional and Fidelity Institutional such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Other services may include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business-related services and technology with which OPA may contract directly.

Charles Schwab Institutional may also provide us with the following products/services:



- SchwabLink, a service that allows us to communicate electronically with Schwab. For example, it allows us to download account information, to place and allocate trades, and submit our advisory fees to Schwab for payment.

While we do not pay a fee for these products/services, all Client accounts may not be the direct or exclusive beneficiary of such products/services. Based upon the receipt of such services and information, we may have an incentive to select a broker-dealer based upon our desire to receive these services rather than receiving best execution for you. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker-Dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

Please see Item 14 for a description of the services OPA receives for participating in Institutional Advisor Platforms.

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### **Order Aggregation**

In some cases, OPA may aggregate orders for multiple accounts, in which each client receives the same average price in a transaction. In other cases, when it is more appropriate for the situation and client, OPA may execute orders on an individual basis. Aggregating orders may help OPA conduct its portfolio management more efficiently and provide consistency in the price received by each client.

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

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### **Periodic Reviews**

Account reviews are performed at least quarterly by Portfolio Managers. Portfolio reviews are performed more frequently when market conditions dictate. Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

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### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### **Regular Reports**

OPA provides performance report statements and net worth statements to certain clients. Advisory Service Agreement clients, and Investment Management clients, may also receive other periodic updates from OPA.

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

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### **Incoming Referrals**

OPA has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does *not* compensate referring parties for these referrals.

### **Referrals Out**

OPA does *not* accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Participation in Institutional Advisor Platform**

OPA has established institutional relationships with various custodians (i.e. Charles Schwab Institutional, TD Ameritrade Institutional and Fidelity Institutional) to assist the Firm in managing client accounts. Access to these institutional platforms are provided at no charge to the Firm. OPA receives access to software and related support without cost because the Firm renders investment management services to clients that maintain assets at these custodians. The software and related systems support may benefit the Firm, but not all clients directly. In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence OPA's recommendation of these custodians over others that do not furnish similar software, systems support, or services.

Additionally, OPA may receive the following benefits from these custodians: subsidies on technology costs, receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. OPA may also receive subsidies for technology licensing fees.

## **Item 15 - Custody**

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### **General**

OPA does not accept or maintain physical custody of any client assets. All clients must place their assets with a qualified custodian. Clients select their own custodians for safekeeping of their assets and securities. OPA

OPA is deemed to have custody of assets if the client authorizes us to instruct the custodian to deduct advisory fees directly from their account. OPA

For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. OPA encourages clients to carefully review statements provided by account custodian promptly upon receipt.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements that may be provided by OPA through Orion software system.

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**Net Worth Statements**

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The client should not consider this information to be an official valuation of assets or investments. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Item 16 - Investment Discretion**

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**Discretionary Authority for Trading**

OPA accepts discretionary authority to manage securities accounts on behalf of clients. OPA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, OPA consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. OPA does *not* receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in client accounts so that OPA may promptly implement the investment policy that clients have approved in writing.

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**Limited Power of Attorney**

A limited power of attorney is the trading authorization for this purpose. Clients sign a limited power of attorney so that OPA can execute the trades needed to implement a previously approved investment policy.

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

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### **Proxy Voting**

OPA does *not* vote proxies on securities. Clients will receive proxies from a party other than OPA, usually their Custodian, and are expected to vote their own proxies. Clients may contact OPA about a particular situation at the telephone number listed on the cover page of this Disclosure Brochure. When assistance on voting proxies is requested, OPA will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18 - Financial Information**

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### **Financial Condition**

OPA does not require or solicit prepayment of fees of more than \$1,200 per client, six months or more in advance.

OPA does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

# **Business Continuity Plan**

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## **General**

OPA appreciates the trust our clients have placed in us. We have developed a Business Continuity Plan ("BCP") to ensure we respond to any significant disruption to our business.

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## **How you can contact us**

In the event of a significant business disruption, if you are unable to reach us by calling our main number, please visit our website [www.oldportadvisors.com](http://www.oldportadvisors.com) for alternative instructions.

At all times, clients may directly access their funds and securities by contacting their account brokerage firm or custodian directly. In turn, the account brokerage firms, custodians and the other vendors we rely upon to provide service to you, maintain their own business continuity plans.

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## **The Plan**

OPA plans to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the company's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our company to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our plan addresses the following items: (i) the means by which data maintained by our firm is adequately backed up, (ii) bringing mission critical systems back online as soon as possible, (iii) alternative methods of contact for our clients and other interested parties should the standard means of communication not be available, (iv) the continuance of providing timely service to our clients, and (v) safeguarding client information.

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## **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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## **Loss of Key Personnel**

OPA has a team approach to our clients' portfolio and wealth management planning to provide continuity of service in the event of a key owner's or employee's serious disability or death.

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# Privacy Policy

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## Privacy Notice

OPA is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to open accounts and execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.