

**Part 2A of Form ADV: *Firm Brochure***

**Wellesley Investment Partners, LLC**

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03/31/2014

This brochure provides information about the qualifications and business practices of Wellesley Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 781-431-1325 or [jeff@wellesleyinvestmentpartners.com](mailto:jeff@wellesleyinvestmentpartners.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Wellesley Investment Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 144984.

## **Item 2     Material Changes**

This Firm Brochure, dated 3/31/2014, provides you with a summary of Wellesley Investment Partners, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 03/31/2013: Wellesley Investment Partners added a new model portfolio designed to provide income potential with capital gains as a secondary consideration. WIP now offers five model portfolios.

In November of 2013, Wellesley Investment Partners welcomed a new employee, John H. Biebel, as Director of Business Development and Wealth Advisor.

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## Item 4     **Advisory Business**

Wellesley Investment Partners, LLC ("WIP") is a SEC-registered investment adviser with its principal place of business located in Massachusetts. WIP began conducting business in 2007. While referring to WIP as a Registered Investment Advisor, our registration as such does not imply a certain level of skill or training.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Wellesley Bank, Inc., Owner

WIP offers the following advisory services:

### **TYPES OF ADVISORY SERVICES OFFERED**

#### **MODEL PORTFOLIO MANAGEMENT**

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Our Model Portfolios Include:

**Conservative:** The primary objective of our conservative portfolio is to attempt to minimize portfolio volatility through risk management and diversification. Secondary goals include providing a stream of income while potentially keeping pace with inflation.

This portfolio may be appropriate for investors with a short investment time frame or who may want lower fluctuations in market values while maintaining some potential for capital appreciation.

**Balanced:** Our balanced portfolio employs multiple diversifying strategies designed to reduce volatility and portfolio risk. The portfolio is broadly diversified, both domestically and internationally, with the intent to generate capital growth.

This portfolio may be suitable for investors with an intermediate term investment horizon and who are able to withstand moderate fluctuations in market value.

**Income:** Our income portfolio focuses more on income generation with a lesser emphasis on capital appreciation.

This portfolio is appropriate for clients interested in receiving cash flow and willing to accept moderate volatility.

**Growth:** Our growth portfolio is intended to provide clients with the potential for growth over the long term with a secondary goal of generating income.

This portfolio may be appropriate for investors who have a longer investment time frame and

a preference for growth and can withstand significant fluctuations in market value.

**Aggressive:** Our aggressive portfolio is designed to focus primarily on capital appreciation and may be appropriate for investors with the longest time frame and who can withstand a high level of portfolio volatility.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-traded products
- Securities traded over-the-counter
- Foreign issues
- Corporate debt securities (including commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Closed end funds
- United States governmental securities
- Options contracts on equity securities
- Other-commodities and real estate
- Currencies
- Structured notes

On rare occasions, WIP provides individual portfolio management for those who do not want all of their WIP investments in a model portfolio. This form of investment supervisory service would typically occur in the context of a client wanting to maintain ownership of existing securities transferred to WIP.

WIP provides financial planning services including, but not limited to, retirement planning, retirement income planning, college planning, estate planning, tax planning, and other related services. WIP may collaborate with other professionals with expertise in these areas solely for the purpose of providing better services to clients.

## **DETERMINING AND MAINTAINING INVESTMENT SUITABILITY**

WIP employs a data gathering process to mutually determine with the client which model portfolio is suitable for the client's circumstances. Through this process, we uncover the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client's prior investment history, family composition and background, and any other issues that may impact our investment approach. In addition, we utilize an investor profile questionnaire as a standardized measure to assist us in determining a client's

investment objective. Once the process is complete, the client is matched with an appropriate asset allocation strategy exercised through one of WIP's five model portfolios. This asset allocation strategy is identified and agreed to in the investment advisory agreement.

On an continuous basis, WIP provides advice regarding the investment of client funds based on their individual needs. To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, each client is contacted on a regular basis. The aim of these conversations is to ascertain whether there have been any changes in the client's financial situation or investment objectives and if the client wishes to impose investment restrictions or modify existing restrictions. Additionally, quarterly statements identify the client's risk tolerance and investment objective.

### **MONITORING OF THIRD-PARTY MONEY MANAGERS**

We monitor the performance of one registered investment advisor in conjunction with a previous business arrangement that is no longer offered to new clients or prospects. If we determine that the advisory services provided by this manager are unsatisfactory or inconsistent with the client's objectives, we offer our services as an alternative. However, any move to a new asset manager and/or program is solely at the discretion of the client. Except for this legacy arrangement with one third party manager, recommending third party managers is not a part of our business.

### **PUBLICATION OF PERIODICALS**

WIP publishes a letter which accompanies quarterly statements providing general market commentary. No specific investment recommendations are provided in this letter and the information provided does not purport to meet the objectives or needs of any individual. Communications of this type may be distributed more often than quarterly based on events and developments that might affect client portfolios.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2013, we were actively managing \$105,358,468 of clients' assets on discretionary basis.

## **Item 5 Fees and Compensation**

### **Management Fee Structure**

Our annual fees for Investment Supervisory Services and Model Portfolio Management are based upon a percentage of assets under management and generally range from .20% to 1.00% according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
<\$2,000,000	1%
>\$2,000,000 - <\$5,000,000	.75%
>\$5,000,000 - <\$20,000,000	.50%
>\$20,000,000	.20%

Our annual fee schedule for the legacy third party management business described previously is the same as above. However, fees are split evenly between the third party manager and Wellesley Investment Partners. The third party's management fee is disclosed in its Firm Brochure or other disclosure documents.

***Limited Negotiability of Advisory Fees:*** Although WIP has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client circumstances and needs are considered in determining the fee schedule. These include the complexity of the client's financial situation, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and other factors. The annual fee is identified in the management agreement between the advisor and each client.

Fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. Fees are debited from the account in accordance with the client authorization in the management agreement.

WIP generally imposes a minimum portfolio size of \$500,000. This account size may be negotiable under certain circumstances. WIP may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Discounts are offered to WIP employees, Wellesley Bank employees, and associated persons of our firm.

Advisor's fees are exclusive of brokerage commissions, transactions fees, and other related costs and expenses which shall be incurred by the client. Clients may be assessed certain charges imposed by custodians, brokers, third party investments, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and security transactions. Mutual funds, closed end funds, and exchange traded products also charge internal management fees which are disclosed in the prospectus for each security. Such charges, fees, and commissions are exclusive of and in addition to WIP's management fee and WIP shall not receive any portion of these commissions, fees, and costs. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

***ERISA Accounts:*** WIP is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement

Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, WIP may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset WIP's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Wellesley Investment Partners, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

WIP provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (including plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Trusts
- Estates

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental Analysis.*** We attempt to measure the value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical Analysis.*** We analyze past market movements and apply that analysis to the



present in an attempt to recognize recurring patterns of investor behavior and potentially anticipate future security price movements.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movements.

**Qualitative Analysis.** We subjectively evaluate factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and anticipate changes to a security's price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Quantitative Analysis.** We apply a mathematical process known as optimization for efficiently integrating securities into a portfolio within defined return/risk constraints and asset allocation parameters. Optimization relies on a computer model which considers variables such as individual volatility histories of each security, portfolio target rates of return, and position limits in determining the weighting of each security within the portfolio.

**Mutual Fund/Closed End Fund/Exchange Traded Product (ETP) Analysis (collectively, "Investments".)** We look at the experience and track record of the investment manager in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in the investments in an attempt to determine if there is significant overlap among other holdings in the client's portfolio. We also monitor the investments in an attempt to determine if they are continuing to follow their stated strategy.

A risk of this analysis is that past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the investment managers' actions, underlying holdings of separate portfolio investments may overlap, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our analysis methods rely on the assumption that the securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) is(are) appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the intent of holding them in the client's account for a year or longer. A risk in a long-term purchase strategy is that by holding the security for this length of time, a client may not profit from short term gains that could be realized with a reduced holding period. Moreover, if our predictions are incorrect, a security

may decline sharply in value before we make the decision to sell. While holding investments in client portfolios for long term periods is a cornerstone of our investment approach, in certain situations (client liquidity needs, major market developments, etc.) holding periods may be shorter in length.

**Option Transactions.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy or the obligation to sell an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell or an obligation to buy an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

We use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security held in a portfolio.

Our primary use of options involves "covered calls," in which we sell a call option on a security owned by a client. In this strategy, the client receives a premium payment for making the option available to a buyer, and the individual purchasing the option has the right to buy the security from the client at an agreed-upon price before an expiration date identified at the time of purchase.

**Risk of Loss.** Investing in securities involves risk of loss that clients should be prepared to bear. We encourage clients to work with us to help us understand their tolerance for risk.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

WIP is a registered investment advisor and a wholly owned subsidiary of Wellesley Bank, a community bank that offers a broad spectrum of banking products and financial services to consumers, small businesses, and commercial clients. Wellesley Bank is a wholly owned subsidiary of Wellesley Bancorp, a public stock bank holding company.

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

### **Code of Ethics**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

WIP and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code.

WIP's Code includes policies and procedures for the review of quarterly securities transaction reports as well as initial and annual security holdings reports that must be submitted by the firm's access persons. Among other things, the Code also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement, and recordkeeping provisions.

WIP's Code further includes the firm's policy prohibiting the use of material non-public information. All employees that have access to material non-public information are notified that such information may not be used in a personal or professional capacity.

Persons employed by WIP may hold profession designations such as the Chartered Financial Analyst ("CFA") or Certified Financial Planner™ ("CFP®").

The CFA Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

The CFP Code of Ethics and Professional Responsibility includes the principles of:

- Integrity
- Objectivity
- Competence
- Fairness
- Confidentiality
- Professionalism
- Diligence

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Our Code of Ethics may also be acquired by email sent to [info@wellesleyinvestmentpartners.com](mailto:info@wellesleyinvestmentpartners.com), or by calling 781-431-1325.

## **Personal Interest in Client Transactions**

Our Code is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere in the process of making decisions deemed to be in the best interest of advisory clients.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the policy of WIP that no person employed by us may purchase or sell any security immediately prior to a transaction(s) being implemented in the same security for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients; participating clients will receive an average price of the shares traded in the block. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases to complete the desired trade for each client by alphabetical order. Our employee accounts will be excluded in the partial fill allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code to ensure we comply with its regulatory obligations and provide our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee may buy or sell securities for their personal portfolio(s) where their decision is a result of information received in their capacity as an employee unless the information is also available to the investing public.
3. No employee may purchase or sell any security immediately prior to a transaction(s) where their decision is a result of information received in their capacity as an employee unless the information is also available to the investing public.
4. Prior approval is required for any IPO or private placement investments by related persons of the firm.
5. WIP's Chief Compliance Officer or his/her designee maintains and reviews all reportable securities held by access persons.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered and may instruct us to manage their investments in a manner that deviates from our advice and recommendations.

8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflict of interest in such activities are properly addressed. We periodically monitor these outside employment opportunities to verify that any conflict of interest continue to be properly assessed by the firm.
12. Any individual who violates any of the above restrictions may be subject to termination.

#### **Item 12 Brokerage Practices**

WIP does not have soft-dollar arrangements and does not receive soft-dollar benefits.

WIP has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include brokerage, trading, research, custodial, administrative support, record keeping, and related services that are intended to support intermediaries like WIP in conducting business and in serving the best interests of our clients, but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables WIP to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interest of WIP's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible 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. Accordingly, while WIP will seek competitive rates, to the benefit of all

clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. WIP and Fidelity are not affiliated.

WIP also participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TDAI"), an unaffiliated SEC-registered broker-dealer and FINRA member. TDAI offers services to independent investment advisers which include custody of securities, trade execution, and clearance and settlement of transactions. WIP receives some benefits from TDAI through our participation in the program.

WIP participates in both Fidelity's and TDAI's Institutional customer program for custody and brokerage services. Clients of WIP can choose either Fidelity or TDAI to custody their assets. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive benefits through our participation in the program that may not be available to Fidelity or TDAI retail investors.

The benefits potentially offered by both Fidelity and TDAI include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WIP by third party vendors.

Some of the products and services made available by Fidelity and TDAI through the program may benefit WIP, but not our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at either Fidelity or TDAI. Other services made available by Fidelity and TDAI are intended to help us manage and further develop our business enterprise. The benefits received by WIP through participation in these institutional programs do not depend on the amount of brokerage transactions. Clients should be aware that these potential benefits, whether utilized by WIP or not, in and of itself create a potential conflict of interest and could indirectly influence our choice of either Fidelity or TDAI for custody and brokerage services.

### **Item 13    Review of Accounts**

**REVIEWS:** All securities owned by advisory clients are continually monitored and their investment portfolios are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the investment markets, political situations, or economic environment.

These accounts are reviewed by: William J. Cadigan, President, and John Biebel, Director, Wealth Advisor, Jeffrey C. Smith, Chief Investment Officer, and Christopher K. Gaffney, Wealth Advisor.

**REPORTS:** Independent of the monthly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances, holdings, and advisory fees.

**Item 14 Client Referrals and Other Compensation**

It is WIP's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is WIP's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes from a non-client in conjunction with the advisory services we provide.

**Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, we direct clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. We encourage clients to contact us directly if they believe that there is an error on their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients in writing to compare the information provided on these statements to ensure that all account transactions, holdings, values, and fees are accurate.

**Item 16 Investment Discretion**

WIP has investment discretion over client accounts, meaning we place trades without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary management agreement with our firm and may limit this authority in writing.

**Item 17 Voting Client Securities**

As disclosed in our client investment management agreements, we do not vote proxies on behalf of clients. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all

proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues upon request.

**Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. WIP has no additional financial circumstances to report.

WIP has not been the subject of a bankruptcy petition at any time during the past ten years.



## **Part 2B of Form ADV: Brochure Supplement**

Item 1:

This brochure supplement provides information about Jeffrey C. Smith that supplements the Wellesley Investment Partners, LLC brochure. You should have received a copy of that brochure. Please contact Wellesley Investment Partners, LLC at 781-431-1325 or [info@wellesleyinvestmentpartners.com](mailto:info@wellesleyinvestmentpartners.com) if you did not receive Wellesley Investment Partners, LLC's brochure or if you have any questions about the contents of this supplement.

Item 2:

Supervised Person's Name: Jeffrey C. Smith

Firm Name: Wellesley Investment Partners, LLC

Firm Phone Number: 781-431-1325

Business Address: 47 Church Street

Wellesley, MA 02482

Supplement Date: 3/31/2014

Year of Birth: 1977

Formal Education After High School: Assumption College, 1999. Boston University, 2008.

Business Background: Fidelity Investments 1999-2005

Positions Held: Investment Consultant

Beaumont Financial Partners: 2005-2009

Positions Held: Analyst/Trader/Portfolio Manager

Wellesley Investment Partners: 2009-Present

Positions Held: Chief Investment Officer/Portfolio Manager

## **Part 2B of Form ADV: Brochure Supplement**

Item 1:

This brochure supplement provides information about Christopher K. Gaffney that supplements the Wellesley Investment Partners, LLC brochure. You should have received a copy of that brochure. Please contact Wellesley Investment Partners, LLC at 781-431-1325 or [info@wellesleyinvestmentpartners.com](mailto:info@wellesleyinvestmentpartners.com) if you did not receive Wellesley Investment Partners, LLC's brochure or if you have any questions about the contents of this supplement.

Item 2:

Supervised Person's Name: Christopher K. Gaffney

Firm Name: Wellesley Investment Partners, LLC

Firm Phone Number: 781-431-1325

Business Address: 47 Church Street

Wellesley, MA 02482

Supplement Date: 3/31/2014

Year of Birth: 1962

Formal Education After High School: Fitchburg State University, 1986. University of Massachusetts, 1989.

Business Background: Fidelity Investments 1999-2005

Positions Held: Investment Consultant/Marketing

Beaumont Financial Partners: 2005-2011

Positions Held: Analyst/Trader/Portfolio Manager

Wellesley Investment Partners: 2011-Present

Positions Held: Vice President-Financial Advisor/Portfolio Manager

## Part 2B of Form ADV: Brochure Supplement

### Item 1:

This brochure supplement provides information about Thomas J. Fontaine that supplements the Wellesley Investment Partners, LLC brochure. You should have received a copy of that brochure. Please contact Wellesley Investment Partners, LLC at 781-431-1325 or [info@wellesleyinvestmentpartners.com](mailto:info@wellesleyinvestmentpartners.com) if you did not receive Wellesley Investment Partners, LLC's brochure or if you have any questions about the contents of this supplement.

### Item 2:

Supervised Person's Name: Thomas J. Fontaine

Firm Name: Wellesley Bank/Wellesley Investment Partners, LLC

Firm Phone Number: 781-235-2550 ext: 7609

Business Address: 47 Church Street

Wellesley, MA 02482

Supplement Date: 3/31/2014

Year of Birth: 1963

Formal Education After High School: University of Vermont, 1986 . Babson College, 1992.

Business Background: Middlesex Savings Bank: 1994-1999

Positions Held: Vice President Lending

Bank Boston: 1999-1999

Positions Held: Vice President Lending

Wellesley Bank: 1999-Present

Positions Held: President

Wellesley Investment Partners: 2007-Present

Positions Held: Present

## Part 2B of Form ADV: Brochure Supplement

### Item 1:

This brochure supplement provides information about John H. Biebel that supplements the Wellesley Investment Partners, LLC brochure. You should have received a copy of that brochure. Please contact Wellesley Investment Partners, LLC at 781-431-1325 or [info@wellesleyinvestmentpartners.com](mailto:info@wellesleyinvestmentpartners.com) if you did not receive Wellesley Investment Partners, LLC's brochure or if you have any questions about the contents of this supplement.

### Item 2:

Supervised Person's Name: John H. Biebel

Firm Name: Wellesley Investment Partners, LLC

Firm Phone Number: 781-431-1325

Business Address: 47 Church Street  
Wellesley, MA 02482

Supplement Date: 3/31/2014

Year of Birth: 1967

Formal Education After High School: Oberlin College, 1989. Suffolk University Law School, 1996.

Business Background: Commonwealth Equity Services: 1997-1999

Positions Held: Legal and Compliance Council

Tanager Financial Services: 1999-2004

Positions Held: Financial Advisor

Calibre Advisory Services: 2004-2008

Positions Held: Director, Relationship Manager

Wingate Financial: 2009-2012

Positions Held: Client Counselor

Wellesley Investment Partners, LLC.

Position Held: Director, Wealth Advisor