

Baystate Wealth Management, LLC.

200 Clarendon Street, 19th Floor,

Boston, MA 02116

617-982-5200

www.baystatewealth.com

January 1, 2015

ADV 2A Brochure

This Brochure provides information about the qualifications and business practices of Baystate Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 617-585-4545 and/or sngan@baystatefinancial.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.

Baystate Wealth Management, LLC is a registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Baystate Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to our Clients, as required by SEC Rules.

In the past, Baystate Wealth has offered or delivered information about its qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year (December 31st). We may provide other, ongoing disclosure information about material changes as necessary.

We will further provide you with, or make available to you, a new Brochure as necessary based on changes or new information, at any time, without charge.

There are no Material Changes to report from the date of the last Form ADV.

Currently, our Brochure may be requested by contacting Susana Ngan at: 617-585-4545; or by email at: sngan@baystatefinancial.com. Our Brochure is also available on our web site: www.baystatewealth.com, free of charge.

Additional information about Baystate Wealth Management, LLC is available via the SEC’s web site: www.adviserinfo.sec.gov. The SEC’s web site also provides information about the people affiliated with Baystate Wealth Management, LLC who are registered, or who are required to be registered, as investment adviser representatives of Baystate Wealth Management, LLC.

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Item 4 – Advisory Business

Baystate Wealth Management, LLC. (“Baystate Wealth” or the “the Company”) is registered with the SEC as an Investment Adviser (SEC file number: 801-70681) since 2010. The principal owners of the Company are: David C. Porter, Thomas N. O’Connor and Gregory Pinto.

The management team of Baystate Wealth Management, LLC is as follows:

David C. Porter, Chairman

Mr. Porter is the Chairman of the Board and a Managing Member of Baystate Wealth. Mr. Porter is also a Managing Member and a Principal of Baystate Financial Services, LLC since 1996. Mr. Porter holds FINRA Series 6 and 63 licenses. Born in 1961, Mr. Porter graduated from West Chester University in 1983 with a degree in Public Administration.

Thomas Neal O’Connor, President

Tom O’Connor is the President of Baystate Wealth Management, LLC, and General Counsel to Baystate Financial. As President, Mr. O’Connor is charged with overseeing and developing the business, and is involved in the day-to-day activities of the Company, including setting investment policies and overseeing compliance. Mr. O’Connor sits on Baystate Wealth’s Investment Committee.

A practicing attorney for almost thirty (30) years, in March of 2000, Mr. O’Connor retired from Hale and Dorr, of Boston, Massachusetts as a Senior Partner to start a federally registered investment adviser called Marathon Capital Group, LLC. Mr. O’Connor acted as a co-founder, Chief Operating Officer, Chief Compliance Officer and General Counsel to Marathon Capital until the business was sold to a New York investment advisory firm in October 2008. Shortly thereafter, Mr. O’Connor joined Baystate and began assisting Baystate in building out its wealth management platform. Mr. O’Connor was named President of Baystate Wealth in October of 2009. While at Marathon Capital, Mr. O’Connor started a law firm now called O’Connor, Carnathan and Mack, LLC, which specializes in issues relating to fiduciary duties, closely-held and family businesses and securities work. Mr. O’Connor holds FINRA Series 7, 63, 65 and 66 licenses. Born in 1953, Mr. O’Connor received a B.A in Government from St. Lawrence University in 1975 and a J.D. from Albany Law School of Union University in 1979.

Susana Ngan: CFA, CFP®, Chief Compliance Officer

Ms. Ngan is the Chief Compliance Officer of Baystate Wealth and a member of the Investment Committee. Ms. Ngan also works in the compliance department of Baystate Financial. Ms. Ngan began her career in the financial services industry in 1999 and she joined Baystate Financial Services, LLC in 2005. Ms. Ngan is a registered principal, and

holds FINRA Series 4, 7, 24, 51, 53 and 66 licenses. Born in 1978, Ms. Ngan received a BBA, double major in Risk Management & Insurance and Marketing from the University of Wisconsin-Madison in 1999.

Gregory J. Pinto: CLU®, ChFC®, CFP®, Chief Executive Officer

Gregory J. Pinto is the Chief Executive Officer of Baystate Wealth, and Chairperson of the Investment Committee. Mr. Pinto began his career in the financial services industry in 1991. He was promoted to Managing Associate of New England Financial Services, Rochester, N.Y. in 1995. In 1997, Mr. Pinto joined Baystate Financial Services LLC as the firm's Investment Specialist. Mr. Pinto holds FINRA Series 6, 7 and 63 licenses. Born in 1965, Mr. Pinto received a Bachelor's of Science degree from the University of Bombay in 1986 and an MBA in Finance and Public Accounting from the University of Rochester in 1989.

John P. Cogswell: CFA, Chief Market Strategist

Mr. Cogswell, is a CFA charterholder and is a member of the Investment Committee, a senior Portfolio Manager and the Chief Market Strategist for Baystate Wealth Management. Mr. Cogswell began his career in the financial services industry in 1995. Prior to joining Baystate Wealth Management, Mr. Cogswell was a Senior Vice President at E*Trade Wealth Management, an Investment Manager at A.G Edwards, and a Registered Representative at Gruntal & Co.

After graduating from Northeastern University, Mr. Cogswell joined Gruntal & Co to help retail investors build portfolios of smaller to mid-sized companies using the firm's proprietary research. At A.G Edwards, he managed portfolios of equities incorporating hedging strategies with exchange-traded options. While at E*Trade Wealth Management, Mr. Cogswell managed portfolios and served as a member of the firm's Investment Committee. Mr. Cogswell's primary focus was determining investment strategy and asset allocation for a number of the firm's existing and prospective clients. Mr. Cogswell joined Baystate as Senior Vice President, Investments, in 2009. He was promoted to Chief Market Strategist of Baystate Wealth in 2012. Mr. Cogswell holds FINRA Series 7, 63 and 65 licenses. Born in 1971, Mr. Cogswell received a Bachelor's of Science, with a dual major in Finance and International Finance, from Northeastern University in 1995.

Joshua T. Pierce: CFP®, Director of Research

Mr. Pierce holds the Chartered Alternative Investment Analyst ("CAIA®") designation and the Certified Financial Planner ("CFP®") designation. Mr. Pierce is a member of the Investment Committee, a senior Portfolio Manager and the Director of Research for Baystate Wealth. Prior to joining Baystate, Mr. Pierce held the position of Vice President with E*Trade Wealth Management. As a prelude to his position at E*Trade Wealth Management, Mr. Pierce was a Financial Advisor with UBS Financial Services, Inc., and with the Private Clients Group of Fleet National Bank.

In his time with E*Trade Wealth Management, and with the assistance of the firm's Investment Committee, Mr. Pierce's primary role was to determine investment strategy and asset allocation for a number of the firm's existing and prospective clients. At UBS Financial Services, Mr. Pierce serviced his clients through offering investment strategies ranging from short-term municipal bonds to managed portfolios through mutual funds, stocks and separately managed account programs. During his time with Fleet, Mr. Pierce's primary focus was on servicing his clients through investment strategies and banking products focusing on principal protection and providing income to his clients. Mr. Pierce holds FINRA Series 7, 63 and 66 licenses. Born 1976, Mr. Pierce received a B.A. from Wheaton College in 1999 and an MBA from Northeastern University in 2008.

Baystate Wealth Management, LLC provides fee-based discretionary and non-discretionary investment supervisory services and portfolio management primarily for high net worth individuals, ultra high net worth individuals, corporate pensions and profit sharing plans, closely-held and family businesses, corporations, trusts, foundations, and through its Sports Group division, for athletes and those involved in professional and amateur athletics. Baystate Wealth is compensated for its services by charging a fee based on a percentage of assets placed under management.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage Baystate Wealth on a non-discretionary investment advisory basis must agree that Baystate Wealth cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Baystate Wealth will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

Baystate's investment platform offers flexibility in choosing the kinds of securities to be held in the clients' account(s). Eligible securities include, without limitation:

- Exchange Listed Stocks (NYSE, AMEX);
- NASDAQ Listed Securities;
- Exchange Traded Funds (ETFs);
- Exchange Traded Notes (ETNs);
- No-load Mutual Funds;
- Load-Waived Mutual Funds;
- American Depositary Receipts (ADRs);

- U.S. Government Bonds;
- Mortgage-backed Bonds;
- Municipal Bonds;
- Unit Investment Trusts;
- Exchanged Traded REITs/Limited Partnerships; and
- Brokerage Certificates of Deposit.

Clients may establish an account at Baystate Wealth by transferring cash or by transferring accounts in kind or after the sale of all or some of the securities in the transferred account. To the extent the client seeks to transfer an account in kind, and the account contains securities that are ineligible securities under the Baystate Wealth Program, those securities must be sold prior to, concurrent with, or shortly after the transfer.

The client relationship is managed by Investment Adviser Representatives (“IARs”) of Baystate Wealth. IARs generally meet with clients, discuss the clients’ goals and objectives and assist the clients in the development, management and implementation of the clients’ wealth management program. IARs do not, however, manage portfolios for clients. Rather, portfolios are managed by Approved Portfolio Managers (“APMs”). All APMs of Baystate Wealth are pre-approved by the Company to manage assets. The investment process is governed by the Investment Committee of the Company, which meets typically once a week or as dictated by market conditions to discuss investment options for the APMs. With permission of Baystate Wealth, an IAR may also serve as an APM.

While each portfolio is managed separately, and ultimately the Investment Policy Statement (“IPS”) controls, with the client’s consent the Company may manage Accounts targeted to one of several investment strategies, referred to as “Model Portfolios” by the Company. These Model Portfolios range from conservative to very aggressive. The client’s portfolio may or may not be identical to a Model Portfolio, but the Model Portfolio is a target allocation tied to a specific risk tolerance. The selection of one or more of these Model Portfolios as an investment target depends on the client’s risk tolerance.

Information on the Model Portfolios, their composition, strategic and tactical allocations, and their benchmarks, are provided by Baystate Wealth to clients. The specific securities in each Model Portfolio, and the specific strategic and tactical allocations for each Model, may change over time and may be different at different points in time. Strategic and tactical allocation decisions for each Model Portfolio are made by the Investment Committee. The Company may employ a strategy of writing options to hedge portfolios or to dampen volatility. Smaller accounts may have a similar overall allocation among asset classes and

styles. However, smaller accounts also tend to have fewer, and sometimes different, holdings than larger accounts invested in the same strategy. As a result, the performance (good or bad) of any single holding could have a greater impact on the overall performance of a smaller account than on the performance of a larger account.

There is no guaranty that any investment strategy, Model Portfolio or Account will achieve a particular result or that any Account will result in a profit. Past performance is no guaranty of future results.

The client's risk tolerance, and financial goals and objectives, as well as other pertinent facts and data, are reflected in the IPS. As the client's goals, objectives and risk tolerance change, the IPS is updated accordingly, and certain agreed-upon actions are taken to ensure that the portfolios are being managed in accordance in the IPS.

Portfolios are adjusted in response to and in anticipation of market conditions. Strategic and tactical allocations are made taking into account relative valuations, market conditions, movements in the market and geo-political events affecting the markets.

Client assets are held in a brokerage account custodied at Pershing, LLC ("Pershing" or "the Custodian"), with MetLife Securities, Inc. ("MSI") acting as the introducing broker-dealer (hereinafter referred to as "the Program" and these accounts shall hereinafter be referred to as "the Program Accounts"). Clients are required to sign an Investment Account Application and Agreement ("IAAA") to open an account with MSI. This is in addition to the Engagement Letter clients sign to open an advisory account with Baystate Wealth. Further information concerning the relationship between the Company, its associated persons and MSI is set forth below in Item 10, "Other Financial Industry Activities and Affiliations."

Please Note: Brokerage/Custody Considerations: As a result of the association of Baystate Wealth's IARs with MSI (see below in Item 10), Baystate Wealth recommends the brokerage/custodial services of MSI and Pershing for investment advisory accounts. The brokerage and transaction fees charged by MSI and Pershing may be higher than those charged by other broker-dealers/custodians.

Baystate Wealth has two different methods of charging fees to clients. One method is that the client is charged a fee for management by Baystate Wealth, and the client pays the commissions and other trading costs associated with the account (none of those costs are paid to Baystate Wealth; rather, those costs are paid in their entirety to MSI and Pershing). The other method is for Baystate Wealth to charge an overall fee that includes the costs for commissions and other trading costs. This could be construed as a "wrap fee" program. A wrap account is a type of individually managed account in which most expenses that are typical of a managed account are combined into one (i.e. a "wrap") fee. This includes the management fees and transactional costs and fees.

Please Note: Fee Layers/Differentials – to the extent that you engage Baystate Wealth to provide investment advisory services on a fee basis, Baystate Wealth shall receive an investment management fee based upon a percentage (%) of the market value of the assets placed under Baystate Wealth’s management as described in Baystate Wealth’s written disclosure statement as set forth in this Part 2A of Form ADV. As also disclosed in this Part 2A, your investment advisory representative receives a separate and additional fee for his/her/its ongoing advisory services. Thus, your total fee will be a combination of both Baystate Wealth’s investment management fee and the representative’s investment advisory fee. The amount of the representative’s advisory fee is determined by the representative within a fee range established by Baystate Wealth, which fee varies depending upon various objective and subjective factors, including the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, whether related accounts are involved, and based on discussions and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client’s net account performance. Since Baystate Wealth’s representatives receive a portion of the advisory fee charged to the client, a conflict of interest arises, because the higher the fee paid by the client, the higher the compensation received by the Baystate Wealth representative. Baystate Wealth’s Chief Compliance Officer, Susana Ngan, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, its potential impact on account performance, and the conflict of interest.

Baystate Wealth does not manage accounts differently depending on the type of fee. However, in the wrap fee context, since the management fee is included as part of the wrap fee, Baystate Wealth does receive a portion of the wrap fee for its services.

As of December 31, 2014, the asset under management (“AUM”) of Baystate Wealth Management were \$529,700,000; \$494,020,000 in full discretionary accounts and \$35,680,000 in non-discretionary accounts.

Retirement Plan Consulting Services: The Company may also provide non-discretionary consulting services to participant directed retirement plans (including participant education) pursuant to the terms and conditions of the Retirement Plan Consulting Agreement between the Plan sponsor and the Company.

Please Note: Retirement Rollovers – No Obligation/Conflict of Interest: A client or prospective client is under no obligation to engage Baystate Wealth as the investment adviser for his/her employer sponsored retirement account. Rather, a client can continue to self-direct his/her retirement account at his/her employer. If the client determines that he/she would like Baystate Wealth’s assistance, Baystate Wealth will charge a separate and additional advisory fee for its ongoing advisory services. The client will not incur this separate and additional advisory fee if he/she determines to continue to self-direct his/her

account. As a result, any recommendation by Baystate Wealth that a client engage Baystate Wealth to manage his/her retirement account presents a conflict of interest since Baystate Wealth will derive an economic benefit from such engagement. Again, a client is under no obligation to engage Baystate Wealth as the investment adviser for his/her retirement account. ANY QUESTIONS: Baystate Wealth's Chief Compliance Officer, Susana Ngan, remains available to address any questions that a client may have regarding his/her/its prospective engagement and the corresponding conflict of interest presented by such engagement.

Non-Investment Consulting/Implementation Services. Baystate Wealth does not hold itself out as providing financial planning or related consulting services. However, to the extent requested by a client, Baystate Wealth may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including, as disclosed below, Baystate Wealth representatives in their separate capacities as registered representatives or licensed agents of MSI. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Baystate Wealth. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. Please Also Note: In performing its services, Baystate Wealth is not required to verify any information received from the client or from the client's other professionals, and Baystate Wealth is expressly authorized to rely on any information given by the client or the client's professionals. Moreover, each client is advised that it remains the client's responsibility to promptly notify Baystate Wealth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Baystate Wealth's previous recommendations and/or services.

Item 5 – Fees and Compensation

Subject to exceptions made at the discretion of the Company, the minimum account size for Baystate Wealth is \$250,000.00. Fees are negotiable with the client and generally are charged as a percentage of assets under management or stated in basis points. Subject to exceptions made at the discretion of the Company, Baystate Wealth receives an investment management fee of 32 basis points and the IAR(s) of the account receives a separate and additional fee for ongoing advisory services. The total fee may not exceed 2.5% or 250 basis points. The agreed upon fee is set forth in the Engagement Letter.

The first payment for the Program Fee is prorated to cover the period from the date that the Account balance has reached \$5,000 through the end of the current calendar quarter. Fees are debited directly from the client's Program Account, based on the fee schedule, and

begin once the account balance has reached \$5,000. Thereafter, the quarterly Program Fee will be paid at the beginning of each calendar quarter and the fee will be based on the fair market value of the assets in the Account on the last business day of the preceding calendar quarter as calculated by Pershing. The Client will also be subject to a Program Fee for any additional lump sum contribution(s) in a calendar quarter equal to or greater than \$5,000. The Client will pay for that portion of the ongoing quarterly Program Fee that relates to the number of days remaining in the calendar quarter on the date of any additional contribution equal to or greater than \$5,000. Payment of the Program Fee will be made in the quarter following any such contribution and will be based on the amount of the contribution.

Through Baystate Wealth, the Client authorizes the deduction of the Program Fee and other charges by Pershing from cash assets held in the account. Therefore, the Client should maintain a suitable percentage of the portfolio in cash to pay for fees and charges under the Program. If the Account does not have enough cash to pay for the advisory and/or brokerage fees and charges, the Company instructs MSI and/or Pershing to sell any Account assets MSI and/or Pershing deems appropriate to make such cash available even if the Client did not grant Discretionary Trading by executing a Discretionary Engagement Letter. In such cases, the Client may face a taxable event, to which capital gains (or other) taxes apply. For certain accounts, specific security exclusions from billing may be negotiated with the Client.

The Client authorizes Pershing to deduct all applicable fees from the Client's Program Account and all such fees will be clearly noted on the statements provided to the Client no less than quarterly by Pershing or Black Diamond. Baystate Wealth compensates MSI for providing certain administrative services and oversight functions and reimburses MSI for expenses that it incurs on behalf of the Company for certain services provided by Pershing for Baystate Wealth.

Baystate Wealth clients can choose one of two billing arrangements; called "RMSPlus" and "RMSOne". The difference is whether the transaction and other costs are paid for directly by the client or included in the overall fee charged by the Company (which may be construed as a "wrap" fee program).

RMSPlus

Under RMSPlus, in addition to the management fee charged by Baystate Wealth, the client will be charged separately for transactional and other brokerage fees pursuant to the then current fee schedule provided by MSI as the introducing broker for the client's brokerage account(s) under the Program. The transactional and other costs are deducted directly from the Account. Baystate Wealth, the IARs and the APMs are not paid and they do not receive any portion of the transactional fees and costs paid to MSI or to Pershing.

RMSOne

The Client may select a fee arrangement where the transactional fees are paid for out of the total fee charged the client. This fee arrangement is referred to as "RMSOne".

RMSOne may meet the definition of a “wrap fee program” under the Investment Advisers Act of 1940 (“the Act”) and other applicable rules and regulations.

The fees charged to the client for portfolio management are negotiable and subject to the written agreement of the client in the Engagement Letter, but may not exceed 2.5% or 250 basis points of the assets under management. Under an RMSOne fee, the IAR and/or Baystate Wealth will pay the transactional fees from the RMSOne fee paid by the client. In the event the client elects RMSOne, the client will only pay one fee to Baystate Wealth and the IAR and the client will not have to pay the transactional fees charged by MSI as introducing broker under the Program. Please note that under the RMSOne program, clients may be responsible for certain brokerage fees (see “Additional Client Fees” section below). Under an RMSPlus fee, the Client pays the transactional fees directly. The IAR and Baystate Wealth are not paid, and neither receives any compensation or payment from, such transactional and other brokerage costs and fees.

The RMSOne fee likely will be higher than if the client did not select this option and instead opted for the RMSPlus fee, because the transactional costs are paid for from the advisory fee charged to the client. This does not necessarily mean that the RMSOne fee will be higher than the total fees and costs the client would pay if the client opted for the RMSPlus fee, since this will depend on the number of trades and the other factors discussed below.

A number of factors will have a bearing on the issue of whether the “wrap fee” (RMSOne) would be higher or lower than the total fees and costs the client would pay if the client opted to pay for the transactional and brokerage fees from the assets under management in the portfolio (RMSPlus). The number, amount and types of trades undertaken in the portfolio on a quarterly and yearly basis will have a direct impact on the issue. Under RMSOne, the transactional costs are paid for from the overall fee charged, whereas under RMSPlus, the client pays for the transactional costs. If the number, amount and types of trades are increased, the transactional costs will increase. Depending on the amount of wrap fee charged on the account, these transactional and brokerage costs could be a significant portion of the fee charged and thus reduce the overall compensation received by the IARs and Baystate Wealth. By contrast, if the number, amount and types of trades are kept to a relatively low number, then it is likely that the wrap fee charged would exceed the total of the investment advisory fee plus the transactional and brokerage costs paid directly by the client.

In addition to the number, amount and types of trades, the sizes of the trades and the number of shares traded will have an impact on the fee comparisons. MSI imposes certain minimum ticket charges for certain trades. Thus, a significant number of smaller trades may have a disproportionately large impact on the costs of managing the portfolio. In such circumstances, a wrap fee program likely would cost less than the other type of program, depending on the fees agreed to by the client. In addition, fees and costs charged to smaller accounts will have a greater impact than fees and costs charged to larger accounts.

Other factors that may bear upon the cost of RMSOne in relation to the cost of RMSPlus may include, among other things, the number of trades executed for the account, the size and type of account, the types of securities executed, the historical and expected size of the account and the number and range of supplemental services provided to the account.

Baystate Wealth makes no representation that the RMSOne or the RMSPlus fee paid by the client is the same as or lower than that charged to another clients who invest in the Program, or that the RMSOne fee or the RMSPlus fee is the same as or lower than the fees charged by other sponsors or advisers of comparable programs for accounts of comparable size or comparable investment objectives.

The nature and extent of services provided by the IARs and the APMs should not vary based upon the type of fee arrangement selected by the client. However, since transactional fees are paid for out of the total fee under RMSOne, and the APMs as well as the IARs are compensated from the fees paid by the client, there may be an incentive (and thus a conflict of interest) to reduce the number of trades in an account for a client who has selected RMSOne (see further discussion in the Conflicts of Interest section below).

Additional Client Fees

Other than the transaction charges noted above, all normal MSI brokerage account charges and fees (i.e., returned check fee, overnight charges, ACH return check fee, etc.) apply to Program Accounts. The fees charged by Baystate Wealth do not include certain other fees and charges such as any fees imposed by the SEC, wire transfer fees, fees resulting from any special requests that clients may have, fees or commissions for securities transactions (including without limitation dealer markups and mark-downs) effected through any broker-dealer other than Pershing or costs associated with temporary investment of client funds in a money market account. In addition to the fees charged by Baystate Wealth, the Custodian may charge the client additional miscellaneous fees (e.g. ACAT fees, IRA maintenance fees, etc.). Such fees are disclosed in the MSI fee schedule that Baystate Wealth provides to the Client. The fees charged by Baystate Wealth also do not include the internal management, operating or distribution fees or expenses imposed or incurred by any mutual fund, exchange traded fund or exchange traded note that the client's account may hold, which may include 12b-1 fees, early termination fees (which include fees on whole or partial liquidations of fund assets in the account) and other fees and expenses that may be assessed by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. Further information regarding charges and fees assessed by a fund company, which may include fees for management, administration, servicing, custodial, legal, audit, etc. may be found in the appropriate prospectus, and/or annual report, of the fund. Clients should read each prospectus or each annual report for each fund. MSI will mail a new schedule prior to any charges becoming effective. Any increase in those charges and fees will be borne by the Client regardless of the type of fee arrangement selected by the client.

Clients may invest directly in mutual funds, ETFs or ETNs (i.e. outside the Program) without paying an advisory fee. Thus, it may be less expensive for Clients to invest in mutual funds, ETFs and ETNs outside the Program. However, Clients will not receive the services provided under the Program if they choose to buy these securities outside the Program. Baystate Wealth does not represent that the fee a Client pays is the same as or lower than that charged by other sponsors of comparable programs for accounts of comparable size or investment objectives.

Please Note: Fee Differentials. As noted above, Baystate Wealth prices its services based upon various objective and subjective factors. As a result, Baystate Wealth's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall client meetings, etc. The services to be provided by Baystate Wealth to any particular client would be available from their advisers at lower fees. All clients and prospective clients should be guided accordingly.

Termination:

The Client or Baystate Wealth may terminate the Engagement Letter at any time, effective on thirty (30) days' written notice. If the Client did not receive a copy of the Company's Brochure within forty-eight (48) hours prior to the time of executing the Engagement Letter, the client may terminate within five (5) days of establishing an account with a full rebate of fees. Termination will not affect the validity of any action previously taken by the Company under the Engagement Letter, liabilities or obligations of the parties from transactions initiated before termination, or the obligation of the Client to pay fees and expenses incurred through the date of termination.

Termination will not automatically result in the redemption or sale of any positions held in the Account, and the Client may choose to continue holding the securities in a standard brokerage account.

On the effective date of termination, Baystate Wealth shall no longer have an investment advisory relationship with the Client and will have no further obligation towards the Client for investment advisory services. The Client will receive a refund of a pro-rata portion of any pre-paid, but unearned, Program Fee paid in current quarter. The amount refunded to the Client will be based on the number of days remaining in the quarter on the first business day after the effective date of termination. However, a portion of the fee may be retained in the Client's account sufficient to cover any open or unsettled transactions and to pay for any unpaid Program Fees, account debit balances, and other charges owed by the Client. The Client is responsible to pay for all services rendered, and all transactions effected, up through the date of termination.

Unless the Client has provided other written instructions, and in the event of no instructions from the Client, upon termination account assets will be moved to a standard brokerage account, and the Engagement Letter will provide such consent in advance to move

the assets in such event. The assets therein will be subject to the fees and charges normally assessed by MSI on its brokerage accounts. The standard brokerage account is subject to the terms and conditions of the IAAA.

Item 6 – Performance-Based Fees and Side-By-Side Management

Baystate Wealth does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of clients

Baystate Wealth Management, LLC provides fee-based discretionary and non-discretionary investment supervisory services and portfolio management primarily to high net worth individuals, ultra high net worth individuals, corporate pension and profit sharing plans, closely-held and family businesses, corporations, trusts, foundations and, through its Sports Division, to athletes and persons or entities involved in professional and non-professional athletics.

Subject to exceptions made at the discretion of the Company, the minimum account size for Baystate Wealth is \$250,000.00.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Baystate Wealth's methods of security analysis include, without limitation, charting, fundamental analysis and technical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, internal analyses, research materials prepared by others, research received from third parties, annual reports, prospectuses, filings with the SEC and company press releases. The investment strategies used to implement any investment advice given to Clients include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), securities swaps and options writing, including covered calls and married puts and calls.

The investment advice provided by Baystate Wealth is customized to fit the risk profile, goals, objectives, and other preferences of each individual Client, pursuant to a written IPS developed with and signed off on by the Client. Baystate Wealth actively manages passive investments vehicles tied directly to a maximum risk level agreed to in advance in writing with the Client (and subject to change at any time with the Client's written consent). The maximum risk level is just that – a maximum – and Baystate Wealth may

manage portfolios below and sometimes well below the maximum risk level, depending on market conditions, strategic and tactical decisions, world events, geo-political events and other factors. Baystate Wealth primarily uses Exchange Traded Funds (“ETFs”), Exchange Traded Notes (“ETNs”), Index Funds, some mutual funds (when the manager’s expenses and fees can be justified by returns), some bond funds and individual fixed-income securities, when appropriate. The cornerstone of Baystate Wealth’s investment strategy is controlling risk, dampening volatility and protecting potential downside risk. Through a combination of asset allocation, active management of passive investments and the Company’s proprietary Risk Assets and Diversification Ratio (“the RAD Ratio™), Baystate Wealth seeks to provide our Clients with superior risk adjusted returns over a number of market cycles.

At the Client’s request, Baystate Wealth will accept transfers in kind and will supervise and manage those securities while reallocating the portfolio more closely with a model portfolio developed by the Company and that corresponds to the Client’s risk profile and tolerance. Baystate Wealth attempts to make this transition on a tax advantaged basis to the Client, but the tax consequences to the Client depends on a number of factors, including the sizes of the positions, the cost bases of the positions, the Client’s individual tax circumstances and other factors. The transition of the portfolio likely will have some tax consequences to the Client. Baystate Wealth does not provide tax advice to Clients and Clients should consult their own tax advisors with respect to the tax effect of any transaction.

Investing In Securities Involves Risk of Loss

Investing involves risk, including the possible loss of principal, which the Clients should be prepared to bear. Diversification may not protect against market risks. Asset allocation strategies and diversification do not promise any level of performance or guarantee against any loss of principal. Past performance is no guarantee of future results.

There are risks involved with investing in ETFs and ETNs, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Both index-based and actively managed ETFs are subject to risks similar to stocks and other securities, including those related to short selling and margin maintenance. ETNs are subject to credit risk. ETFs do not sell individual shares directly to investors and only issue their shares in large blocks. ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Brokerage commissions and trading costs will reduce returns. An investor should consider investment objectives, risks, charges, and expenses before investing. A description of these items can be found in each fund’s prospectus. Past performance for ETFs and ETNs does not guaranty future results.

Past performance for mutual funds does not guarantee future results. The investment return and principal value of a mutual fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Investors should consider the investment objectives, risks, and charges, and expenses of the investment company carefully before investing. A description of these items can be found in each fund's prospectus.

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Emerging markets and frontier markets involve heightened risks relative to other sectors of the market, as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. Narrowly focused investments typically exhibit higher volatility.

Real estate investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.

Commodity-related investments may be speculative and may involve a high degree of risk. Commodities markets have historically been volatile, creating the potential for losses regardless of the length of time an investment is held.

Bond and bond funds likely will decrease in value as interest rates rise. Investment returns and principal values will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost and potentially subject to capital gains taxes. Tax-exempt fixed income strategies invest in securities designed to pay income that is exempt from certain income taxes, but a portion of the income may be subject to federal or state income taxes or the alternative minimum tax. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Baystate Wealth Management, LLC or the integrity of Baystate Wealth's management. Baystate Wealth is not aware of any disciplinary action taken against any the Company or its management. Thus, Baystate Wealth Management, LLC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Baystate Wealth participates in “the Platform,” which is a brokerage platform, offered by MSI that provides brokerage services to support the trade execution needs of certain investment management programs offered by Independent Registered Investment Advisers owned or operated by representatives that may be dually registered with the Investment Adviser and MSI. Those registered representatives who offer the Baystate Wealth Management program to Clients do so independent of MSI, even though they are also registered with MSI.

MSI is a registered broker-dealer and member firm of FINRA and SIPC, and an SEC registered investment adviser. MSI acts as the introducing broker-dealer for brokerage accounts held by Clients of Baystate Wealth. Through MSI and its custodian and clearing firm, Pershing, Clients of Baystate Wealth are provided broker-dealer, custodial, clearing and administrative services including but not limited to, account set-up, automatic invoicing, trading services and preparation of periodic reports associated with the advisory services. Baystate Wealth compensates MSI and Pershing for these services. MSI, Baystate Wealth and Pershing are not affiliated with one another. However, IARs of Baystate Wealth may also be IARs of MSI.

Baystate Wealth is affiliated with Baystate Financial Services, LLC (Baystate Financial), through which financial, insurance and employee benefits products and services may be offered to Clients. David Porter is affiliated with Baystate Financial. While Baystate Financial has no ownership interest in Baystate Wealth Management, Mr. Porter is affiliated with both companies. Baystate Financial provides Baystate Wealth Management with cost-sharing and cost-saving opportunities, such as shared space, shared resources, shared personnel and shared systems.

Baystate Financial bills separately and is paid separately for the products and services it provides to Clients of Baystate Wealth. However, because some of the products and services offered to clients of the Company may be part of an overall wealth management program developed by the Company, there is a potential conflict of interest in the recommendation of products and services offered by or through Baystate Financial.

Baystate Financial offers securities and investment advisory products through MSI. Baystate Financial offers insurance products through Metropolitan Life Insurance Company, New York, NY 10166 (MLIC). MLIC and MSI are MetLife companies and are unaffiliated with Baystate Wealth.

Conflict of Interest: The recommendation by Baystate Wealth representatives that a client purchase a securities or insurance commission product from the Company’s affiliated

broker-dealer or insurance agency presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from or through Baystate Wealth and/or any of its IARs. Clients are reminded that they may purchase securities and insurance products recommended by IARs of Baystate Wealth through other non-affiliated broker-dealers and/or insurance agencies. Baystate Wealth's Chief Compliance Officer, Susana Ngan, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Mr. O'Connor is a founding partner of the law firm, O'Connor, Carnathan and Mack, LLC ("OCM"). Other than Mr. O'Connor, there is no cross ownership or affiliation by and between OCM, on the one hand, and Baystate Wealth or Baystate Financial, on the other hand. Mr. O'Connor has assumed an "Of Counsel" status with OCM and, effective as of December 31, 2013, he is no longer a member of OCM, although he will remain Of Counsel and thus will remain affiliated with OCM.

Certain of the Company's employees may be licensed to practice law. However, no such persons provide legal services to any of Baystate Wealth's clients, and no corresponding attorney-client relationship is established.

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

Baystate Wealth has adopted a Code of Ethics which sets forth guidelines for professional standards, under which all associated persons of the Company are to conduct themselves. The full text of the Code of Ethics is available to any Client by contacting Susana Ngan at: 617-585-4545. The Company has set high standards, the intention of which is to protect Client interests and to demonstrate the Company's commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. The Code of Ethics includes provisions relating to the duties to the Clients, confidentiality of Client information, prohibited acts, conflicts of interest, personal securities transactions, among other things. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics. They must acknowledge the terms of the Code of Ethics annually, or as amended.

Baystate Wealth has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code. The Company has a privacy policy ensuring that personal information of Clients is not disclosed to third parties. However, certain personal information will be disclosed to MSI as part of the Platform and to Pershing as the custodian, but only as needed to conduct investment advisory services related

to the services provided by Baystate Wealth to the Client. Certain personal information (limited to name, address, email address, telephone number and account title) may also be disclosed if an IAR of Baystate Wealth leaves and becomes registered with another broker/dealer or investment advisory firm. A copy of our Privacy Policy is available on request and will be sent to the Client on a yearly basis.

Potential Conflicts of Interest

Baystate Wealth and its IARs may perform advisory services for various clients, and the IAR may give advice for other clients that differ from the advice given to or the timing of any action taken for the Account. In addition, the IARs may, but are not obligated to, purchase or sell or recommend for purchase or sale any security which the IARs may purchase or sell for their own accounts or for the accounts of any other client.

A client's IAR receives compensation as a result of the client's participation in the Program. This compensation may be more than what the IAR would receive if the client participated in other programs made available by MSI or paid separately for investment advice, brokerage and other services. Therefore, the IAR may have a financial incentive to recommend the Baystate Wealth Program over other programs or services offered to clients.

IARs of Baystate Wealth also are registered representative of MSI and it is likely that representatives of MSI will provide brokerage and/or investment advisory services to Clients of both firms, and thus may act as a broker or agent of Clients of Baystate Wealth and of MSI.

It is likely that IARs of Baystate Wealth will buy or sell securities for their own accounts that are being bought or sold for the accounts of Clients. This is particularly true if the IAR or a family member has accounts with Baystate Wealth.

IARs (or family/household member) having Beneficial Ownership (or control) of a securities account, may not buy or sell a Security within one(1) day before or after executing a transaction in the same security in a client's Account unless the market capitalization of that Security is \$500 million or more.

In addition, an IAR having Beneficial Ownership (or control) of a securities account may not buy or sell the same Security on the same day as a client Account unless;

1. Block Trading is utilized where Client accounts and the IAR account receive the same price (may only be used in discretionary accounts)
2. If not using Block Trading, the Client order is entered prior to the IAR's personal trade and the Client receives an equal or a better price.

MSI is registered as both an investment adviser and a broker/dealer. In its role as a broker/dealer, MSI focuses on a select group of mutual funds. MSI may receive certain

compensation from these mutual fund families. More information is provided in the IAAA that Clients receive and sign to open brokerage account with MSI.

The Client understands that a portion of the wrap fee that the Client pays compensates MSI for providing certain administrative services and oversight functions and expenses that MSI incurs for certain services provided by Pershing.

Item 12 – Brokerage Practices

All transactions for Baystate Wealth’s advisory service will be effected by MSI through its clearing broker, Pershing, LLC, through the Platform. MSI/ Pershing were selected, in part, because of an existing relationship between Baystate Wealth and MSI (see Item 10, Other Financial Industry Activities and Affiliations).

Execution Quality

When the Company invests directly for its Clients, it will use MSI to effect such transactions and the Client agrees that MSI/Pershing are authorized to effect such transactions at the direction of Baystate Wealth consistent with the MSI fee schedule published at least annually. In accordance with the Program mandated by MSI, Baystate Wealth does not use the services of any broker/dealer other than MSI or any custodian other than Pershing. Execution quality is determined by MSI and/or Pershing. If, as and when SMAs are selected by the Company, they must have policies and procedures in place to ensure “best execution” for investors with the manager.

Custodial Relationship

Through the Platform, the Company has a “custodial” relationship with Pershing. Through this arrangement, MSI operates as the introducing broker-dealer and Pershing provides custodian and record-keeping services and performs the following functions, among others: (1) arranging for the receipt and delivery of securities purchased, sold, borrowed and loaned; (2) making and receiving payment for securities; (3) custody of securities; (4) custody of all cash, dividends and exchanges, distributions and rights accruing to an account; (5) tendering securities in connection with cash tender offers, exchange offers, mergers or other corporate reorganizations; and (6) providing monthly, quarterly and/or year-end statements to Clients.

All trades made by the Company on behalf of the Client will be through the Platform. In recommending the Platform, the Company will attempt to minimize the total cost for all brokerage services paid by the Client. However, it is the case that MSI/Pershing may charge a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker or custodian. It may also be the case that the total costs of all services provided through the Platform may be higher than can be obtained at another broker.

Although the Company will monitor costs, the fee schedule is set by MSI and is imposed on the Program.

Baystate Wealth does not maintain any so-called “soft dollar” arrangements with any provider of services.

Item 13 – Review of Accounts

Generally, accounts are reviewed and monitored on a continuous basis by the APMs. In addition, during some Investment Committee meetings, accounts are reviewed to ensure that the portfolios are being managed to the guidelines set forth in the IPS. Specific account holdings are reviewed when changing market conditions warrant.

The Compliance department also reviews accounts periodically, when circumstances warrant review, often times in conjunction with an APM or as an adjunct to the Investment Committee.

Pershing provides the Clients with monthly statements of their accounts/ portfolios. Quarterly performance reports are made available to Clients by Baystate Wealth. In addition, the IAR and/or officers of the Company typically meet with the Client at least annually to review the accounts.

Item 14 – Client Referrals and Other Compensation

If a client is introduced to Baystate Wealth by either an unaffiliated or an affiliated solicitor, Baystate Wealth may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Baystate Wealth’s investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Baystate Wealth by any unaffiliated solicitor, the solicitor at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship and shall provide each prospective client with a copy of Baystate Wealth’s written Brochure and a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between Baystate Wealth and the solicitor, including the compensation to be received by the solicitor from Baystate Wealth.

Additional Benefit: Baystate Wealth may also receive monetary assistance from mutual fund and exchange traded fund sponsors to help defray the costs of internal educational programs for Baystate Wealth’s financial professionals, at which the sponsors may make a presentation. However, there is no corresponding commitment made by

Baystate Wealth to any such sponsor or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. Baystate Wealth's Chief Compliance Officer, Susana Ngan, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Item 15 – Custody

Clients will receive monthly statements from the broker/dealer, bank or other qualified custodian that holds and maintains the Client's investment assets. Baystate Wealth urges all Clients to carefully review such statements and compare such official custodial records to the account statements that Baystate Wealth may provide to Clients. Baystate Wealth's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Baystate Wealth usually receives discretionary authority from the Client at the outset of the advisory relationship to select the identity and the amount of securities to be bought or sold in Accounts. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

When selecting securities and determining amounts, Baystate Wealth observes the investment policies, limitations and restrictions of the Clients for which it advises. For registered investment companies, Baystate Wealth's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions imposed by the Client must be provided to Baystate Wealth in writing by the Client in the IPS and must be approved by Baystate Wealth.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Baystate Wealth does not have any authority to and does not vote proxies on behalf of Clients. Instead, Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Baystate Wealth's financial condition. Baystate Wealth has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

ANY QUESTIONS: Baystate Wealth's Chief Compliance Officer, Susana Ngan, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.