

Disclosure Brochure

March 14, 2015

Polaris Advisors, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Polaris Advisors, LLC (hereinafter "Polaris"). If you have any questions about the contents of this brochure, please contact Fredric E. Weldon at (508) 481-2299. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Polaris Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Polaris Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since Polaris's last annual update dated March 21, 2014. Polaris does not have any material changes to disclose in this Item.

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Item 4. Advisory Business

The Firm's principal, Fredric E. Weldon, formed Polaris as a "fee-only" investment adviser in response to the structural conflicts of interests inherent to the commission-based business model. Polaris has been in business as a registered investment adviser since October 7, 2003.

Polaris provides financial planning, consulting, and investment management services. Prior to engaging Polaris to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Polaris setting forth the terms and conditions under which Polaris renders its services (collectively the "*Agreement*"). Neither Polaris nor the client may assign the *Agreement* without the consent of the other party. A transaction that does not result in a change of actual control or management of Polaris is not considered an assignment.

As of February 26, 2015, Polaris has \$112,231,775 of assets under management, of which \$85,320,909 are managed on a discretionary basis and \$26,910,866 are managed on a non-discretionary basis.

This disclosure brochure describes the business of Polaris. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Polaris' officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on Polaris' behalf and is subject to Polaris' supervision or control.

Financial Planning and Consulting Services

Polaris may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include tax-related and other non-investment related matters). These services are largely limited to what Polaris calls, "Retirement Income Planning." In performing such services, Polaris develops a "Retirement Income Plan," whereby it seeks to integrate all of a client's retirement-related considerations -- ranging from insurance and estate planning to tax strategies and budgeting efforts. In some cases, Polaris, in its sole discretion, may provide certain existing and prospective investment management clients with complimentary financial plans.

In addition, Polaris provides customized educational workshops and seminars for certain groups and organizations, where it endeavors to provide attendees with general financial knowledge. The topics on which Polaris may present vary depending on the clientele, though they typically address common but largely unfamiliar financial matters such as pension plan payouts or long-term care insurance. Seminars can run from forty-five minutes to a couple hours and may include individual one-one-one counseling.

Polaris may also provide its clients with tax preparation services. Polaris generally recommends and/or engages the services of Ameritax Professionals Inc. ("*Ameritax*") to render tax related services to its clients.

In performing its services, Polaris is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on

such information. Polaris may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Polaris recommends its own services. The client is under no obligation to act upon any of the recommendations made by Polaris under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Polaris itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Polaris's recommendations. Clients are advised that it remains their responsibility to promptly notify Polaris if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Polaris' previous recommendations and/or services.

Investment Management Services

Polaris manages all or a portion of its clients' assets on a discretionary and/or non-discretionary basis. Polaris primarily allocates clients' investment management assets among mutual funds, exchange-traded funds ("ETFs"), commodity linked notes, and various money market instruments. Polaris also provides advice about any type of investment held in clients' portfolios.

Polaris may also render non-discretionary investment management services to clients relative to variable life/annuity products that they may own. In so doing, Polaris either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product. In certain instances, Polaris' non-discretionary investment management services may also include the servicing of legacy positions.

Polaris tailors its advisory services to the individual needs of clients. Polaris consults with clients initially and on an ongoing basis to develop a risk profile which determines risk tolerance, time horizon, and other factors that may impact the clients' investment needs. Polaris ensures that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance.

Clients are advised to promptly notify Polaris if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Polaris' management services.

Additions and Withdrawals to Accounts

Clients may make additions to and withdrawals from their account at any time, subject to Polaris's right to terminate an account. Clients may withdraw account assets on notice to Polaris, subject to the usual and customary securities settlement procedures. However, Polaris designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

Item 5. Fees and Compensation

Polaris offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Alternatively, certain of Polaris' *Supervised Persons* may offer securities brokerage services and insurance products under a commission arrangement; however, these commission-based services are generally not available to Polaris's advisory clients.

Financial Planning and Consulting Fees

Polaris may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$399 to \$2,000 on a fixed fee basis and/or \$200 on an hourly basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages Polaris for additional investment advisory services, Polaris may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Polaris to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Polaris setting forth the terms and conditions of the engagement. Generally, Polaris requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Either party may terminate the agreement by written notice to the other. In the event the client terminates the financial planning or consulting arrangement, the balance of Polaris' unearned fees (if any) is refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client is entitled to a full refund, unless the agreed scope of services have been rendered to completion.

Investment Management Fee

Polaris provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by Polaris. Polaris' annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Polaris does not, however, receive any portion of these commissions, fees, and costs. Polaris' annual fee is prorated and charged quarterly, in arrears based upon the market value of the assets being managed by Polaris on the last day of the previous quarter. The annual fee is graduated and varies (between 0.50% and 1.00%) depending upon the market value of the assets under management, as follows:

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<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
First \$500,000	1.00%
Next \$500,000	0.90%
Next \$1,000,000	0.75%
Next \$2,000,000	0.60%
Above \$4,000,000	0.50%

Polaris, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

For accounts held solely under a non-discretionary custody and servicing arrangement, Polaris does not charge a management fee.

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Polaris generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Polaris may only implement its investment management recommendations after the client has arranged for and furnished Polaris with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by Polaris, broker-dealer directed by the client, trust companies, banks, etc., (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Polaris's fee.

Fee Debit

Polaris's *Agreement* and the separate agreement with any *Financial Institutions* authorize Polaris to debit the client's account for the amount of Polaris's fee and to directly remit that management fee to Polaris. Any *Financial Institutions* recommended by Polaris have agreed to send a statement to the client, at least

quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Polaris.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between Polaris and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Polaris' fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that Polaris reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Polaris may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

If assets exceeding \$100,000 are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Commissions or Sales Charges for Recommendations of Securities

Certain *Supervised Persons* of Polaris (but not Polaris), in their individual capacities, may render securities brokerage services under a commission arrangement, as registered representatives of Purshe Kaplan Sterling Investments ("PKS"), an SEC registered broker-dealer and member of FINRA.

However, such *Supervised Persons* do not render commissions-based brokerage services to Polaris' investment advisory clients. This arrangement is discussed further in response to Item 12 below.

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

Polaris does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Polaris provides its services to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

Minimum Account Size

As a condition for starting and maintaining an investment advisory relationship, Polaris generally imposes a minimum portfolio size of \$100,000. Polaris, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Polaris shall only accept clients with less than the minimum portfolio size if, in the sole opinion of Polaris, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Polaris may aggregate the portfolios of family members to meet the minimum portfolio size.

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

Primary Methods of Analysis

Polaris relies primarily on a combination of fundamental and cyclical methods of analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Polaris will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Cyclical analysis involves the examination of past market conditions on both a macro (entire market/economy) and micro (company specific) level. Cyclical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using cyclical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Polaris will be able to accurately predict such a reoccurrence.

Investment Management Strategies

Polaris' strategy for selecting securities for client accounts is based primarily on asset allocation determinations, rather than decisions about the attractiveness of individual stocks or bonds.

Clients are provided with a number of risk profiles and, with the help of one of Polaris' investment adviser representatives, select a risk profile that is appropriate for them. Once the risk profile is selected, client accounts are assigned to a corresponding model. Each model begins with an allocation among stocks, bonds, cash, and commodity derivatives designed to track balanced or moderate indices of these markets.

The model asset allocations are intended to create a proxy for the global economy. For example, the relationship between large and small cap U.S. stocks is close to the proportion each represents in the total stock market values of all stocks in the U.S. markets. While Polaris assumes some discretion in adjusting these compositions, in general, the deviations rarely exceed 10 to 15 percent in either direction.

Subsequently, these models are implemented by assigning portions of each asset type described above to mutual funds, ETFs or publicly traded commodity linked notes. These models are monitored and periodically adjusted as Polaris believes is appropriate for current market conditions. Client accounts are periodically tested in comparison to their models and rebalanced accordingly.

Polaris does not utilize individual bonds or stocks for client portfolios. Mutual fund managers are screened for performance, past volatility, cost, stability and tenure of key decision makers, and reputation

within the industry. ETFs are broad-based, non-leveraged, non-inverse index funds, selected for accuracy in tracking, cost liquidity, and simplicity. Commodity linked notes are general obligations of large well-capitalized international banks designed to track the general price levels of broad baskets of commodities. They are selected for tracking consistency, cost, simplicity, and the creditworthiness of the issuer.

When necessary, Polaris may hold a portion of client assets in cash as a buffer to the volatility of stock and commodity positions, as a substitute for bonds when Polaris deems bonds to be overpriced, and as a source of liquidity for client withdrawals. Polaris allows clients to impose reasonable restrictions on the management of a portion of their assets; however, Polaris may require that such assets are deposited in a separate account and/or held pursuant to a separate agreement.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a mutual fund investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of Polaris' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Polaris will be able to predict those price movements accurately.

Management Through Similarly Managed Accounts

Polaris manages portfolios by allocating portfolio assets among various mutual funds, ETFs and commodity linked notes on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, Polaris buys, sells, exchanges, and/or transfers shares of mutual funds and other types of securities based upon the *investment strategy*.

Polaris' management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Polaris's clients may be limited. For example, various mutual funds or insurance companies may limit the ability of Polaris to buy, sell, exchange, or transfer securities consistent with its *investment strategy*. As further discussed in response to Item 12B (below), Polaris allocates investment opportunities among its clients on a fair and equitable basis.

Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

Polaris is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Polaris does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Polaris is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Polaris has described such relationships and arrangements below.

Registered Representatives of a Broker-Dealer

As discussed above in Item 5, certain *Supervised Persons* of Polaris are registered representatives of *PKS*. These *Supervised Persons* of Polaris do not render brokerage services to investment advisory clients for a commission-based fee in an effort to avoid the inherent conflict of interest which exists when there is a financial incentive for Polaris to recommend the purchase of securities where its *Supervised Persons* receive commissions or additional compensation. While some clients may maintain legacy accounts with *PKS*, most of which predate their relationship with Polaris, this procedural prohibition ensures that any ongoing recommendations given are done so in the best interest of the clients.

Insurance Agents

Certain of Polaris' *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Polaris or its *Supervised Persons* recommend the purchase of insurance products where Polaris or its *Supervised Persons* receive insurance commissions or other additional compensation.

Item 11. Code of Ethics

Polaris has adopted a code of ethics in compliance with applicable securities laws (“*Code of Ethics*”) that sets forth the standards of conduct expected of its *Supervised Persons*. Polaris’ *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of Polaris’ personnel (called “*Access Persons*”) to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Polaris *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the firm’s policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the firm is engaging in or considering a transaction in any security on behalf of a client where there may be a potential for conflict, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Polaris to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, Polaris generally recommends that clients utilize the brokerage and clearing services of *Fidelity*.

Factors which Polaris considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables Polaris to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Polaris' clients comply with Polaris' duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Polaris determines that the commissions are 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 *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Polaris seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Polaris periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Polaris in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Polaris will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Polaris (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Polaris may decline a client's request to direct brokerage if, in Polaris's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Polaris decides to purchase or sell the same securities for several clients at approximately the same time. Polaris may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Polaris' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Polaris's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Polaris determines to aggregate client orders for the purchase or sale of securities, including

securities in which Polaris' *Supervised Persons* may invest, Polaris shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Polaris shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Polaris determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Polaris may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Polaris in its investment decision-making process. Such research generally will be used to service all of Polaris's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Polaris does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *PKS*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *PKS* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *PKS* unless they first secure written consent from *PKS* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKS*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKS* under *PKS* internal supervisory policies. Polaris is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

Polaris may receive from *Fidelity*, without cost to Polaris, computer software and related systems support, which allow Polaris to better monitor client accounts maintained at *Fidelity*. Polaris may receive the software and related support without cost because Polaris renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e. not “soft dollars”). The software and related systems support may benefit Polaris, but not its clients directly. In fulfilling its duties to its clients, Polaris endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Polaris’ receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Polaris’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Polaris may receive the following benefits from *Fidelity* through the Fidelity Registered Investment Advisor Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

Account Reviews

For those clients to whom Polaris provides investment management services, Polaris monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. During such reviews, Polaris tests account compositions against their respective allocation models and rebalances as necessary.

For those clients to whom Polaris provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by the Principal of Polaris, Federic E. Weldon. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Polaris and to keep Polaris informed of any changes thereto. Polaris contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Account Statements and Reports

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Polaris provides investment advisory services will also receive a report from Polaris that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from Polaris. For legacy based accounts held under a non-discretionary custody and servicing arrangement, Polaris does not provide quarterly performance reporting services.

Those clients to whom Polaris provides financial planning and/or consulting services will receive reports from Polaris summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Polaris.

Item 14. Client Referrals and Other Compensation

Other Economic Benefits

Polaris is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services.

Polaris may generally recommend the services of *Ameritax*, as discussed in response to Item 4, for certain tax preparation services. *Ameritax* may also, but is under no obligation to, recommend the investment advisory services of Polaris on an informal basis. Polaris does not believe this arrangement poses a conflict, as the firm relies exclusively on the depth of experience, demonstrated understanding and cost, when determining whether to recommend the services of other professionals. No client of Polaris is under any obligation to engage the services of *Ameritax* or any other professional recommended by Polaris.

Client Referrals

In addition, Polaris is required to disclose any direct or indirect compensation that it provides for client referrals. Polaris does not pay, or is paid, a fee or any other form of compensation for client referrals.

Item 15. Custody

Polaris' *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Polaris through such *Financial Institution* to debit the client's account for the amount of Polaris' fee and to directly remit that management fee to Polaris in accordance with applicable custody rules.

The *Financial Institutions* recommended by Polaris have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Polaris. In addition, as discussed in Item 13, Polaris also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Polaris.

Item 16. Investment Discretion

Polaris may be given the authority to exercise discretion on behalf of clients. Polaris is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Polaris is given this authority through a power-of-attorney included in the agreement between Polaris and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Polaris takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

Polaris is required to disclose if it accepts authority to vote client securities. Polaris does not vote client securities on behalf of its clients.

Item 18. Financial Information

Polaris is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Polaris Advisors, LLC

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Prepared by:

