

## **Item 1 - Cover Page**

### **NEW ENGLAND INVESTMENT & RETIREMENT GROUP, INC.**

#### **Brochure**

#### **Part 2 of Form ADV: Uniform Application of Investment Adviser Registration**

September 8, 2015

This brochure provides information about the qualifications and business practices of New England Investment & Retirement Group, Inc. ("NEINV"). If you have any questions about the contents of this brochure, please contact us at 978-975-2559, or by email at [info@neinv.com](mailto:info@neinv.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.

NEINV is an SEC-registered investment adviser. Throughout this brochure and related materials, NEINV may refer to itself as a "registered investment adviser" or "being registered". These statements do not in any way imply a certain level of training or skill.

Additional information about NEINV is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any person affiliated with NEINV who is registered as an investment adviser representative of NEINV.

New England Investment & Retirement Group, Inc.  
231 Sutton Street, Suites 2A / 2B  
North Andover, MA 01845  
Telephone: 978-975-2559  
Fax: 978-975-2789  
Contact: [Info@neinv.com](mailto:Info@neinv.com)  
[www.neinv.com](http://www.neinv.com)  
SEC File Number: 801-67679

## **Item 2- Material Changes**

This brochure dated September 8, 2015 was prepared according the SEC's requirements and rules with respect to Form ADV and provides information about NEINV's qualifications and business practices. This brochure on Form ADV Part 2 may be amended from time to time.

This section only discusses material changes since the most recent annual update of this brochure, which was filed on February 12, 2015.

Within this brochure, Item 9 (Disciplinary Information) has been updated to reflect that, as part of a settlement, NEINV voluntarily consented to the entry of an Order by the Commonwealth of Massachusetts Securities Division. Item 9 herein summarizes the Matter. A copy of our brochure will be provided to any client or prospective client free of charge upon request. If you would like to receive a copy, please contact our Chief Compliance Officer at 978-975-2559 or [info@neinv.com](mailto:info@neinv.com). Our brochure is also available on the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4- Advisory Business

### Firm History and Ownership

New England Investment & Retirement Group, Inc. ("NEINV" or the "Firm") was founded in 1995 by Nicholas J. Giacomakis. Mr. Giacomakis is the Firm's principal owner, President and Director of the Firm. The Firm's business is to provide investment management services as well as other ancillary services necessary to meet the financial needs of its clients. NEINV is a Massachusetts corporation and its principal office is located in North Andover.

### Investment Management Services

Asset Management Services. The Firm provides asset management services directly to clients, including high-net-worth individuals or families, trusts, estates, endowments, retirement plans and other legal entities. NEINV generally provides investment guidance with respect to long/short equity and fixed income securities in a wide range of market capitalizations. Types of Investments. NEINV offers advice on all types of securities, based upon the request of the client and his/her investment objectives and policies. The following are some of the general categories of securities NEINV provides advice:

- mutual funds
- exchange-traded funds
- equities (stocks)
- warrants
- corporate debt securities
- managed futures funds
- CDs
- municipal securities
- investment company securities (including variable annuities, variable insurance trusts, mutual fund shares)
- U.S. government securities
- options
- futures contracts and exchange traded funds
- bonds
- direct participation programs (including alternative energy programs, research and development programs, and leasing programs)
- Real estate investment trusts ("REITS")
- collateralized mortgage obligations ("CMOs")

If appropriate, NEINV may recommend hedge funds or other restricted and/or unregistered products to qualified clients. The Firm may also give advice on investments in 529 plans. Initial public offerings (IPOs) are not available through the Firm.

Financial Planning Services. The Firm provides wealth management consulting services to clients upon request. A financial plan will be developed consistent with a client's financial and tax status, age, risk tolerance and investment objectives. NEINV will gather financial information and history from clients including, but not limited to, retirement and financial

goals, investment objectives, investment horizon, financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information required by NEINV in order to provide the consulting services requested. Based upon a client's needs, NEINV will prepare a written financial plan addressing those needs. Whether or not to implement any of the recommendations detailed in the plan is at the client's discretion.

NEINV may also provide other general, non-securities consultation on topics including tax planning analysis, estate planning analysis, business planning, retirement planning, education planning, budgeting and cash flow, risk management/insurance services, and/or fringe benefit analysis. NEINV and its employees do not provide tax or legal advice. Implementation of any recommendations is at the discretion of the client.

**Rejection of Client Accounts.** NEINV reserves the right to reject any account not consistent with its investment philosophy and reserves the right to decline management of any accounts for non-U.S. citizens.

### **Individual Client Needs**

The Firm manages each client relationship individually in accordance with the client's stated investment goals and objectives. The Firm's financial advisers will gather information on a client's financial history, goals, objectives, and financial concerns and assist the client in developing an asset allocation strategy. To assist our clients with developing an investment objective, NEINV prepares a Client Profile, Investor Questionnaire and Risk Profile ("Client Profile") for the client to complete. In addition to the information provided on the Client Profile, a financial adviser will schedule meetings with prospective clients to further understand their investment goals and objectives, and provide ongoing monitoring of client accounts. All information gathered from a client is confidential. (Please see Item 13 Review of Accounts for further information.)

The Firm will customize each client's portfolio to suit their individual investment goal, income need, tax situation or risk tolerance. While providing individualized service, NEINV uses a number of centrally managed strategies or 'models' as building blocks for account diversification. The client's financial adviser will then incorporate a further overlay of securities to meet each client's financial objectives, if needed. The Firm will accommodate reasonable account restrictions imposed by the client with respect to management of accounts. However, the Firm reserves the right to decline guidelines submitted by clients determined in its sole judgment to be unduly restrictive or inappropriate in light of the client's suitability and/or risk tolerance.

NEINV generally has discretionary authority of its clients' accounts for the limited purpose of buying and selling securities in the accounts without communicating with the client prior to each transaction decision. The client always makes the final decision on the overall investment strategy. The Firm does not act as a custodian of client assets. The client always maintains control of his or her assets. (Please see Item 16 Investment Discretion for further information.)

NEINV may tailor the level of service among varying client types. For example, high-net-worth client arrangements may include additional advisory services not required or desired by other clients, such as recommendation of alternative investment vehicles, ongoing education regarding certain estate planning concepts, and more periodic evaluation of performance and investment objectives. All advisory clients are assigned a financial adviser to oversee their investment accounts.

### **Assets Under Management**

As of December 31, 2014, the Firm managed approximately \$486,509,251 in discretionary assets in approximately 1,566 accounts, and \$72,100,342 in non-discretionary assets in approximately 12 accounts.

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

### **Description of Fee Calculations and Schedule**

The Firm generally bases its fees on a percentage of assets under management as described in the client's investment management agreement. NEINV's current fee schedule is as follows:

<b>Account Size</b>	<b>Standard Tiered Annual Fee</b>
First \$250,000	1.25%
Next \$1,250,000	1.00%
Next \$3,500,000	.75%
Balance over \$5,000,000	.65%

Fees are negotiable and may be waived in the sole discretion of the Firm. The Firm, in its sole discretion, may charge a different investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). The Firm may negotiate hourly fees and/or fixed fees in certain circumstances for its Investment advisory fees and Financial Planning services.

Although a client has the right to make withdrawals from his account at any time, the Firm may terminate an account that falls below its minimum portfolio size of \$200,000. If assets are deposited to or withdrawn from an account after the inception of a quarter that exceed \$50,000, per transaction, the management fee payable with respect to the assets will be pro-rated based on the number of days remaining in the quarter.

### **Fee Billing**

Investment management fees are billed quarterly, in advance, meaning that NEINV charges its fee before the three-month billing period has begun. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. Clients will be provided with an account statement by

the custodian which will detail the amount of the advisory fee deducted from the client's account. Clients have the option of paying as invoiced by NEINV or through a direct debit from their account. Clients may make arrangements to pay management fees for a qualified account through a direct debit from their non-qualified account, if necessary.

If the account does not contain sufficient funds to pay the advisory fees, NEINV has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees.

Fees for financial planning services or other wealth management consulting services are to be paid directly to the Firm as negotiated between NEINV and the client.

### **Other Fees**

The Firm's investment management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Oftentimes, an unmanaged security that was held in a client account may begin to accrue management fees if the security becomes actively managed, either due to a corporate action or at the request of a client.

The Firm recommends that clients establish accounts with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), a FINRA-registered broker-dealer, member SIPC/NFA, to maintain custody of clients' assets and to effect trades for their accounts. Although the Firm may recommend that clients establish accounts at TD Ameritrade, it is the Client's decision to custody assets with TD Ameritrade. The Firm is independently owned and operated and not affiliated with TD Ameritrade. The client does not pay a custody fee to TD Ameritrade, although the client will incur transaction charges and other expenses, such as a custody fee for certain non-standard assets.

The Firm generally purchases shares of mutual funds at net asset value; however, any mutual fund shares held in a client account may be subject to deferred sales charges, 12b-1 fees, short-term redemption fees, and other mutual fund annual expenses. The fees and expenses are fully described in the fund's prospectus. All fees paid to the Firm for our services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds pay advisory fees to their managers and such fees are therefore indirectly charged to all holders of the mutual fund shares. If a client has mutual fund shares in their account, the client is effectively paying both the Firm and the mutual fund manager for the management of these assets. Please refer to the fund's prospectus or other offering document for additional information on fees and expenses. The Firm does not receive any compensation from fund companies.

Clients are advised that when securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and / or tax ramifications.

### **Fee Refunds Upon Termination and Past Due Accounts**

A client may terminate the investment management agreement by notifying the Firm in writing 30 days in advance and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, the Firm will refund any unearned portion of the advance payment. If termination occurs within five (5) business days of entering into an agreement for services, the client is entitled to a full refund.

Upon notice of termination, the Firm will no longer manage the assets in the client's account. The Firm will await further instructions from the client as to what steps the client requests to transfer the account to another custodian or liquidate the account and remit the proceeds. Upon instructions received, the Firm will instruct the client's broker-dealer, mutual fund sponsors and others to carry out the client's wishes. The Firm can make no representation regarding puts, holds, or other investment features that may limit a client's ability to liquidate or transfer all or a portion of the account. For information on features that may limit or impair the ability to sell or transfer an asset, the client is advised to review the prospectus or offering document. NEINV reserves the right to terminate any account upon appropriate notice to the client.

The Firm reserves the right to stop work on any account that is more than 30 days delinquent in paying its management fee to NEINV. In addition, the Firm reserves the right to terminate any financial planning engagement where a Client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Firm's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

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

### **Performance-Based Fees**

Fees charged to client accounts are based on assets under management, not on a share of the capital gains or capital appreciation of managed securities. The Firm will only structure a performance or other incentive fee arrangements for certain qualified clients on a limited basis, in accordance with the appropriate SEC rules and exemptions thereto. The Firm does not currently collect a performance-based fee from any client.

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

The Firm has adopted policies and procedures to mitigate possible inherent conflicts associated with managing accounts for multiple clients. It is NEINV's goal to act in good faith and to treat all client accounts in a fair and equitable manner over time, regardless of their strategy, fee arrangement or the influence of their owners or beneficiaries. These policies are described in detail below.

Performance-Based Fees. The Firm does not collect a performance-based fee from any client at this time.



Employee Accounts. The Firm encourages employees to hold personal securities accounts, in accordance with NEINV's Code of Ethics/Conduct. Accounts in which employees have a beneficial interest, or in which the Firm has a conflict of interest do not receive preferential treatment and to the extent possible, are aggregated with client trades. Executions are allocated pro rata and on an average price basis.

Investment Ideas. Investment ideas and recommendations are determined by the Firm's Investment Committee. Each of the Firm's financial advisers is a member of the Investment Committee and has an opportunity to act on investment decisions and ideas with their clients.

Identity of Accounts for Participation in Transactions. Transactions for each client account are generally effected independently of other client trades. Decisions to trade a client account are based on various factors, such as (i) account activity or a shift in an account's cash position, (ii) rebalancing the account due market shifts or corrections, or (iii) changes in a client's personal situation. Certain clients may request more frequent reviews and may set thresholds for triggering trading on a more frequent basis. Investment decisions in the strategies that we manage often affect more than one client account at a time. Our policies help ensure that identification of client accounts that participate in investment opportunities are decided equitably among different client accounts over time.

Aggregation and Allocation of Client interests The Firm will generally aggregate trades when a model change is contemplated among many accounts. The Firm will not allocate trades in such a way that could result in a proprietary or affiliated account or certain client accounts receiving more favorable treatment than other client accounts. The Firm strives for trading and allocation practices to be fair and equitable to all client types with no group being favored or disfavored over any other group of clients.

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

### **Description**

At present, the Firm's business consists primarily of providing investment advice to individuals (including high-net-worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

NEINV generally requires a minimum amount of assets be deposited to an account for the purpose of obtaining asset management services. NEINV will generally require clients to deposit a minimum of \$200,000 (cash or securities) to a brokerage account in order to participate in investment advisory services offered by NEINV. However, under certain circumstances, the Firm may waive the minimum account size requirement and accept accounts less than \$200,000. Such circumstances may include, but not be limited to, additional assets will soon be deposited, or the client or other family members have other

accounts with NEINV. Clients are advised that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested since fluctuations in the market may affect smaller accounts more. NEINV reserves the right to terminate an account that falls below the minimum portfolio size of \$200,000.

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

### **Methods of Analysis and Investment Strategies**

The Firm's core expertise is creating and actively managing investment accounts for clients based on their individual goals and objectives. The Firm utilizes both strategic and tactical asset allocation to achieve this. The Firm employs various investment strategies for each client based upon the goals and objectives stated by the client during consultations. The client may change these objectives at any time. Each client completes a client profile and risk assessment that documents their investment goals and objectives and their desired investment strategy.

Strategies may include long-term and short-term trading, short sales, and margin transactions. To the extent appropriate based on a client's investment objective and strategy, the Firm may utilize options and option strategies in a client's portfolio. Some examples include long calls and puts, covered call writing, covered put writing or spread strategies. NEINV does not engage in market timing activities, but we may increase cash holdings as deemed appropriate based on your risk tolerance and our expectations of market behavior.

**Not all options strategies are suitable for every client and certain strategies may expose clients to significant potential losses.**

NEINV has created a series of model strategy portfolios, each with its own unique investment objective. When a client establishes an account with the Firm, the client's assets are invested in the model strategy portfolio best suited to the client's needs and objectives. Based on the model strategy portfolio's investment objectives, risk tolerance, etc., NEINV will monitor the model strategy portfolio and its performance and make changes as necessary. At the client's preference, NEINV will monitor accounts on a discretionary basis providing continuous and regular asset management services, or in-line with the model chosen to fit a client's financial objectives. NEINV may also permit holdings outside of the model strategy portfolio at the client's discretion.

**It should be noted that investing in securities involves a risk of loss that clients should be prepared to bear. Past performance is not indicative of future results.**

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. There can be no assurance that NEINV will achieve its investment objective in managing client accounts. General fluctuations in the market prices of securities may affect the value of the

investments held by a client. Instability in the securities markets also may increase the risks and volatility inherent in the investments. Assets may increase or decrease in value due to factors affecting securities markets generally, such as actual or anticipated changes in interest rates, inflationary expectations and other factors. Investing involves risk of loss that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. Clients face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
  - Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
  - Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
  - Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
  - Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
  - Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
  - Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
  - Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
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## Item 9- Disciplinary Information

The Firm's business is subject to various federal and state laws and regulations and, from time to time, regulators contact the Firm seeking information concerning its business activities. The Firm is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of our advisory business or the integrity of our management.

On August 6, 2015, NEINV settled a matter with the Commonwealth of Massachusetts, Secretary of State's Securities Division. NEINV consented to a settlement, without admitting or denying any wrongdoing, related to the firm's books and records associated with a single trust account established in 2007 and managed through 2014. NEINV was ordered to pay a small fine, reimburse fees to its client, and take other remedial actions.

### Summary

From April 2006 through March 2014, NEINV provided investment portfolio management for a husband and wife. After discussions between the couple and NEINV, NEINV provided the couple with multiple estate attorney referrals and the couple decided to establish a trust for their investment assets. Between March and May of 2007, the estate attorney the couple selected drafted a family trust agreement for an irrevocable trust (the "Family Trust") with the couple's sons as trustees. In June of 2007, the couple informed NEINV that they wanted to move their assets into their new trust account. During the account set-up period, paperwork was processed that established an account for a revocable trust named after the couple with the couple as trustees, rather than an account for the irrevocable Family Trust, with the sons as trustees. Although NEINV's procedures stated that it needed to obtain a copy of the operative trust as part of its account opening procedures, NEINV only received account opening documents signed by the couple declaring that they were the trustees. At some point, NEINV received the front and back page of the Family Trust but did not contact the couple to question whether it had set up the trust account correctly. From 2007 through 2013, NEINV treated the couple as trustees per the account paperwork that was signed, when, in fact, the sons were the Trustees of the Family Trust.

In the settlement of the matter, NEINV consented: to pay a fine of \$10,000, to reimburse the couple's advisory and certain legal fees, to cease and desist from any actions relating to future books and records violations, to accept censure, and agreed to engage an independent consultant to review its Trust Account policies and procedures.

On December 18, 2012, NEINV and Mr. Giacomakis consented to the entry of an order by the SEC without admitting or denying the allegations. A copy of the Order in its entirety may be accessed on the SEC's website ([www.SEC.gov](http://www.SEC.gov)).

### **Summary**

1. From approximately 2007 through 2011, NEINV and Giacomakis, on several occasions, provided clients or prospective clients with reports generated using Morningstar® Principia® ("Principia") software. The Principia reports were used to assess various financial metrics. Among other things, the Principia reports purport to compare the historical performance and risk of NEINV's equity and fixed income models to either an equity or fixed income benchmark ("NEINV Principia reports"). However, these NEINV Principia reports did not represent past performance of NEINV's models. Instead, NEINV generated the information in these reports by inputting in the Principia software the current investments of one of NEINV's models and analyzing how the model would have performed had the model held its current investments throughout the entire time period in the NEINV Principia report. In reality, the models did not exist throughout the entire time period in the report and the models' holdings changed over time during the period when they did exist. The NEINV model performance reports did not disclose that the model results portrayed were hypothetical, not actual, results. Giacomakis was responsible for distributing and presenting the NEINV Principia reports to several clients and prospective clients of NEINV.
2. In addition, throughout the relevant time period, NEINV failed to implement written compliance policies and procedures reasonably designed to prevent its employees from presenting performance information to clients or prospective clients that did not violate the Advisers Act and its rules.
3. NEINV and Giacomakis were jointly fined \$200,000, were subject to a cease and desist order, NEINV was censured and required to engage an independent consultant to review its policies and procedures.

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

### **Broker-Dealer Activities**

Certain NEINV employees have obtained securities licenses and are registered representatives of Purshe Kaplan Sterling Investments, a registered broker/dealer, member FINRA and SIPC

("PKS"). PKS is located at 16 Corporate Woods Blvd, Albany, NY 12211. Certain of these registered representatives, in their individual capacities, are also licensed insurance agents. NEINV is not affiliated with PKS.

Certain NEINV employees, in their capacity as an adviser representative with NEINV and registered representative with PKS, may have a potential conflict of interest in recommending certain mutual funds and variable annuities that pay a commission should the purchase be made by the registered representative. NEINV will only recommend mutual funds and other commission-based products to clients that NEINV feels is in the client's best interest and on a fully-disclosed basis.

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

### **Overview of the Code of Ethics**

NEINV and its employees strive to conduct their securities and investment advisory business in accordance with the highest ethical standards and in line with all applicable securities regulations. NEINV's has adopted a Code of Ethics/Conduct that complies with the requirements of the Investment Advisers Act of 1940, as amended, and establishes NEINV's standards of business conduct for its employees and procedures. Specifically, the Code of Ethics requires its directors, officers and employees to conduct their affairs, including personal securities transactions in such a manner to avoid: (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their positions with NEINV, and (iii) any actual or potential conflicts of interest or any abuse of their positions of trust and responsibility. A copy of our Code will be provided to any client or prospective client free of charge upon request by contacting our Chief Compliance Officer at 978-975-2559 or [info@neinv.com](mailto:info@neinv.com).

NEINV has adopted various procedures and internal controls to review, monitor and ensure that the Firm's policies on personal securities transactions are observed, properly implemented and amended and/or updated, as appropriate. In summary, the Firm's Code of Ethics require all employees to (i) acknowledge that they have read and understand the Code, and reaffirm such acknowledgement at least annually, (ii) initially identify all personal investment accounts and any accounts opened or closed on a quarterly basis, and (iii) report all personal securities holdings and transactions on a quarterly basis. Employees are required to maintain personal securities accounts that hold Reportable Securities (as that term is defined in the Firm's Code of Ethics to generally mean any equity securities or options on such securities) with the Firm's custodian to facilitate review by the Firm's Chief Compliance Officer or designee (as defined in the Firm's Code of Ethics policy). The Firm's Chief Compliance Officer or designee reviews all employee trades using the Firm's trading blotter and client account statements.

### **Participation or Interest in Client Transactions**

As a general matter, NEINV believes that its clients' interests are best served when members of the Firm buy and sell the same securities for themselves that they also buy and sell for clients. NEINV also understands that a potential conflict of interest could exist when employees trade the same securities as clients. NEINV strives to always put client interests ahead of the Firm and its employees.

In order to mitigate potential conflicts, employees are required to maintain personal securities accounts with the Firm's custodian (as defined in the Firm's Code of Ethics policy). The Firm's trader will place trades for employees in blocks with client trades whenever possible. If a trade for an employee is filled before a client trade or at a better price than the client received, the Chief Compliance Officer will review the circumstances surrounding the trade and either approve the trade or have the trade reversed and/or profits disgorged. When monitoring post-trade activity, the Chief Compliance Officer will consider factors such as price differential, market capitalization, trade size and short-term profits. In the event of a partially-filled order, client account allocations will be filled in their entirety before employee trades are filled. Since the Firm trades primarily in mutual funds, exchange traded securities (ETFs) and large cap, liquid securities, it is unlikely that employees may front-run client trades or otherwise move the markets to create an opportunity for employees to benefit from client trades.

### **Error Correction Trades**

From time to time, trading errors may occur. The Firm strives to correct errors in client accounts in a fair and timely manner and in a way that the client will not suffer a loss. In certain circumstances, correcting an error may require the Firm to take ownership of a security in its own error account. The disposition of those securities may create a gain for the Firm. To manage potential conflicts concerning errors, NEINV has implemented a written trade error policies and procedures.

### **Principal or Agency Cross Trading**

The Firm does not affect principal transactions with clients. Generally, the Firm will not execute an agency cross securities transactions between client accounts. In limited circumstances, NEINV may effect a cross agency transaction between one client and another if such trade would benefit each participant account and only when authorized in advance by both clients. Cross trades will be conducted at an independent, current market price and would not involve a commission, mark-up or any other additional compensation to NEINV.

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## **Item 12- Brokerage Practices**

### **Selecting Brokerage Firms and Client-Directed Brokers**

NEINV places all trade instructions with TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of

securities, trade execution, clearance and settlement of transactions. TD Ameritrade has total discretion over using executing broker/dealers; however, NEINV will monitor brokerage fees for reasonableness and best price and execution.

If rates are not determined to be reasonable, NEINV will contact clients. NEINV also participates in the institutional customer program offered by TD Ameritrade. NEINV receives some benefits from TD Ameritrade through its participation in certain programs. (Please see Item 14 Client Referrals and Other Compensation below.)

TD Ameritrade is authorized to utilize broker-dealers to execute orders for the purchase and sale of securities for NEINV's clients who, in its best judgment, can provide "best execution", meaning prompt and reliable execution at a reasonable competitive price. Once best execution criteria are satisfied, TD Ameritrade may consider those broker-dealers who supplement its capabilities with certain appropriate services. All services received from broker-dealers to whom commissions are paid are used collectively, to the extent practicable, to benefit all TD Ameritrade clients, including NEINV clients. As provided by the Securities Exchange Act of 1934, TD Ameritrade is permitted to cause higher commissions to be paid to broker-dealers who provide brokerage and research services than to broker-dealers who do not provide such services, if such higher commissions are deemed reasonable in relation to the value of the brokerage and research services provided. In determining the abilities of a broker-dealer, neither TD Ameritrade nor NEINV will consider client referrals or the sale of mutual fund shares.

NEINV does not permit clients to direct brokerage to any particular broker.

#### **Research and Soft Dollar Benefits**

NEINV does not currently have soft-dollar agreements with any broker-dealer but the firm does receive certain economic benefits from TD Ameritrade as more fully described in Item 14.

#### **Investment Allocation and Trading Policies**

NEINV strives to provide clients fair and equitable treatment when allocating investment opportunities and aggregating client orders among clients.

Transactions for each client generally will be effected independently when the decision is made to trade the account, with each client obtaining market value for the security trade and associated trading costs. The Firm may (but is not obligated to) aggregate or "batch" such orders to obtain best execution. The Firm generally aggregates trades if it decides to purchase or sell the same securities for several clients at approximately the same time, such as trading securities in one of its investment models. When aggregating trades for more than one client, transactions will generally be averaged as to price and allocated among the Firm's clients pro rata. The Firm will not receive any additional compensation as a result of the aggregation of orders.



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

### **Investment Management Accounts**

Investment strategies are managed by the Investment Committee, which consists of the Firm's financial advisers, traders, and investment officers. The financial advisers are responsible for understanding their client's specific investment objectives, restrictions, income requirements, risk tolerance, and to structure client accounts to meet the respective client's objectives. The financial adviser is also responsible for maintaining open and continual communications with their clients and to meet with clients on a regular basis, no less frequently than annual. On each quarterly Performance Report, clients are reminded to contact their investment advisor if there is a change to their financial situation and/or investment objectives.

In addition to reviewing client accounts on an annual basis or whenever a client has a meeting with their financial adviser, the Firm's traders review client accounts whenever clients make an additional deposit/withdrawal of funds into their account, or when rebalancing accounts due to market activities or other triggering events. Triggering events may include, but are not limited to, changes in the tax laws, new investment information, changes to the management and structure of a mutual fund or company in which clients assets are invested, market shifts and corrections and changes in a client's personal situation. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Levels of review will vary depending on client needs at the time of review as well as changes in the financial status or position (tax status or otherwise), financial goals, current market conditions, performance standards, suitability changes and age, among other things.

### **Financial Planning**

NEINV will review a client's financial plan at any time upon request from the client. NEINV recommends reviewing a financial plan on an annual basis, either in whole or in part, or at any time a plan requires a major revision resulting, for example, from the sale of a business, a divorce or other significant event that can alter a financial status. A fee may be charged for such service.

### **Performance Reports**

NEINV provides performance statements to clients on a quarterly basis for no additional fee. These reports summarize the account's portfolio holdings and account performance information as compared to a relevant benchmark. NEINV will either email or use U.S. mail (at each client's preference) to distribute quarterly performance reports. NEINV also makes quarterly performance reports available to clients via the Firm's website upon a client's request.

Clients are urged to compare their performance reports from NEINV to their custodian account statement. Please note that the custodian account statement is the client's official statement with respect to your account.

## **Custodian Reports**

All advisory account assets are held at TD Ameritrade, a qualified custodian, which means that the custodian provides account statements directly to clients at their address of record at least quarterly. Clients are also provided with confirmations for each securities transaction executed in the client's account directly from the account custodian. Clients are urged to compare their performance reports from NEINV to their custodian account statement. Please note that the custodian account statement is the client's official statement with respect to your account.

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

### **Solicitation Program**

The Firm may enter into arrangements with individuals and/or firms ("Solicitor") whereby the Solicitor will refer clients who may be a candidate for investment advisory services offered by NEINV. In return, NEINV may agree to compensate the Solicitor for the referral.

Compensation to the Solicitor is dependent, among other things, on the client entering into an advisory agreement with NEINV for advisory services. Compensation to solicitor will be a percentage of NEINV's fee as agreed upon between NEINV and Solicitor. Any referral fee paid to a Solicitor shall be paid solely from the Firm's investment management fee, and shall not result in any additional charge to the client. NEINV's referral program is in compliance with the federal regulations as set out in 17 CFR Section 275.206(4)-3. The solicitation/referral fee is paid pursuant to a written agreement entered into between NEINV and the Solicitor. The Solicitor will be required to provide the client with a copy of NEINV's Form ADV Part 2 and a Solicitor Disclosure brochure at the time the referral is made to NEINV. The Solicitor is not permitted to offer clients any investment advice on behalf of NEINV.

### **Client Referrals**

The Firm may occasionally recommend other professionals to the client at the request of the client, such as lawyers, accountants, insurance agents, etc. These professionals are engaged directly by the client. Conflicts of interest will be disclosed to the client in the unlikely event they should occur. NEINV does not generally accept referral fees or any form of remuneration from other professionals when NEINV refers a prospect or client to them.

NEINV may share commissions it receives for insurance products with another agent; however, this commission split will not result in any additional charge to the client.

### **Other Compensation from TD Ameritrade**

As disclosed above, the Firm participates in TD Ameritrade's institutional customer program and the Firm may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the Firm's participation in the program and the investment advice it gives to its clients, although the Firm receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related

products and tools; consulting services; access to a trading desk serving Firm participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Firm but may not benefit its client accounts. These products or services may assist the Firm in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Firm manage and further develop its business enterprise. The benefits received by the Firm or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of TD Ameritrade for custody and brokerage services.

The Firm has negotiated with TD Ameritrade a period of free trading for accounts rebalanced in the Firm's program that are transferred to TD Ameritrade, which may create an economic benefit for the Firm. The benefit received by the Firm or its personnel does not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duty to clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of this economic benefit by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of TD Ameritrade for custody and brokerage services.

The Firm also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services currently include: Advent-Black Diamond Performance Reporting software, Fiduciary 360- Toolkit for Advisors Platinum, Bloomberg- Research and Analysis, NYSE- Market Data Feeds, Cheshire- Wealth Management Software. TD Ameritrade provides the Additional Services to the Firm in its sole discretion and at its own expense, and the Firm does not pay any fees to TD Ameritrade for the Additional Services. The Firm and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The Firm's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to the Firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, the Firm's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with the Firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from

TD Ameritrade, the Firm may have an incentive to recommend to its clients that the assets under management by the Firm be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. The Firm's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

iRebal. NEINV considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In selecting TD Ameritrade as the broker and custodian for certain of its current and future client accounts, the Firm takes into consideration its arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade's automatic portfolio rebalancing service for advisors known as "iRebal".

The standard iRebal annual license fee applicable to NEINV is \$137,500. That fee is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. NEINV's annual license fee will be waived for the first five (5) years contingent upon NEINV's maintenance of \$195 million in taxable assets at TD Ameritrade through such period. Waivers for subsequent periods are contingent upon on additional \$50 million in taxable net new assets the beginning of each new license year.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute "plan assets" of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If NEINV does not maintain the relevant level of taxable assets on the TD Ameritrade platform, NEINV may be required to make a penalty fee payment to TD Ameritrade calculated on the basis of the shortfall.

Although NEINV believes that the products and services offered by TD Ameritrade are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect the Firm's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for client accounts.

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## Item 15- Custody

Custody is generally defined by the Investment Advisers Act of 1940 as having access or control over client funds and/or securities. Custody is not necessarily limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. Authorization to trade in client accounts is not considered to be custody.

Whenever NEINV is given the authority to deduct management fees directly from client accounts, NEINV is deemed to have custody. The investment management agreement between a client and NEINV gives NEINV authority to have fees directly deducted from a client's account when providing asset management services. Otherwise, NEINV does not permit its employees or the Firm to accept or maintain custody of client assets. In the event an employee inadvertently receives securities, or other assets from a client, such employee must immediately arrange to return such assets to the client within three business days of receiving them.

NEINV has established procedures to ensure client funds are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the custodian's name, address and the manner in which the funds or securities are maintained. Account statements are delivered directly from the custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any other client reports (such as performance reports) received from NEINV. When clients have questions about their account statements, they should contact NEINV or the custodian preparing the statement.

## **Item 16- Investment Discretion**

NEINV will maintain discretionary trading authority to manage securities accounts on behalf of clients, as set forth in the client's investment management agreement with the Firm. This authority gives the firm discretion to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Although NEINV manages accounts on a discretionary basis, clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to the Firm so long as the limitations are specifically set forth in writing to the Firm and do not impede the Firm from implementing the account's overall investment strategy.

### **Class Actions, Bankruptcy Claims and Other Legal Proceedings**

Class actions, bankruptcy claims and other types of legal proceedings require legal advice that the Firm is not qualified to render. Therefore, NEINV cannot facilitate the filing of legal claims on behalf of clients. It is the client's responsibility to consult their legal counsel if necessary to determine whether or not a client should pursue such matters and to make any necessary filings. Clients should recognize that there is no duty upon the Firm to provide information regarding these types of claims or to monitor such proceedings. Whenever possible, the Firm will assist clients whenever possible regarding these types of claims, but that it will undertake only commercially reasonable efforts to do so, and will not be responsible for any unreasonable delays in transmission or omissions.

## Item 17- Voting Client Securities

NEINV does not vote proxies on securities on behalf of clients. It is the client's responsibility to vote or not vote all securities held in their account. Please contact the Firm's Chief Compliance Officer at 978-975-2559 or [info@neinv.com](mailto:info@neinv.com) for instructions on how to obtain voting proxy materials from your Custodian.

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## Item 18- Financial Information

This item is not applicable to NEINV. Please note that NEINV does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time.

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## Privacy Policy and Practices of NEINV

New England Investment & Retirement Group, Inc.'s mission is to help our clients pursue financial independence by providing unbiased, objective guidance. We value the trust our customers have placed in us and are committed to preserving the private nature of our relationship with you. We are proud of our privacy and confidentiality practices, and we want you to know how we protect your information.

Please take a moment to review our privacy policy, as described below.

### Gathering Information

We treat the information we gather about you in a confidential manner. New England Investment & Retirement Group, Inc. collects this personal information to help us serve your financial needs, provide customer service, and fulfill legal and regulatory requirements. We also collect your personal information to verify your identity and determine your eligibility and suitability for certain financial products and services. New England Investment & Retirement Group, Inc. collects nonpublic personal, financial, and health information from sources that may include:

- Information you provide us on applications and related forms, such as name, address, social security number, assets, and income (and medical information if applying for insurance)
- Documents you provide us when you open your account, such as a drivers license, passport or other documentation to verify your identity
- Information regarding your transactions with us, such as products or services purchased, account balances, and payment history

- Information from consumer reporting agencies, such as credit relationships
- Information from your employer, association, or benefit plan sponsor, such as name, address, social security number, assets, and income

### Sharing Information

New England Investment & Retirement Group, Inc. does not disclose any nonpublic personal information about you unless we receive your prior written consent, we believe the recipient is your authorized representative, or we are required or permitted by law. We do not sell your personal information to third parties. In the course of servicing your account, however, we may share previously described information about our customers with other unaffiliated service providers, such as insurance companies, mutual fund companies, banks, custodians or investment firms, to provide account maintenance or customer service to your account. We may disclose your information to other organizations, such as government agencies and law enforcement officials (e.g., for tax reporting or under court order).

### Safeguarding Privacy

New England Investment & Retirement Group, Inc. maintains physical, electronic, and procedural safeguards regarding your nonpublic personal information to ensure we are complying with our own policy, industry practices, and federal and state regulations. We restrict and limit employee access to client information to only those who need it to carry out their business functions. We educate our employees about safeguarding client information and preventing its unauthorized access, disclosure or use. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

### Questions

You do not have to contact us to benefit from New England Investment & Retirement Group, Inc.'s privacy protections; they apply automatically to all of our customers. However, if you have any questions after reading this privacy policy, we encourage you to contact our Chief Compliance Officer or your financial advisor.

New England Investment & Retirement Group, Inc.  
231 Sutton Street, Suite 2A  
North Andover MA 01845  
978-975-2559  
www.neinv.com

### **Standards for the Protection of Personal Information**

NEINV maintains an information security program to reduce the risk that your personal and confidential information may be breached in-line with Massachusetts General Law Chapter 93H, Standards of the Protection of Personal Information for Residents of the Commonwealth of Massachusetts. This regulation establishes minimum standards to be met in connection with the safeguarding of personal information contained in both paper and electronic records. The objectives of this regulation are to insure the security and confidentiality of

customer information in a manner fully consistent with industry standards; protect against anticipated threats or hazards to the security or integrity of such information; and protect against unauthorized access to or use of such information that may result in substantial harm or inconvenience to any consumer

**Business Continuity Plan**

NEINV has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. Electronic files are backed up daily and archived.