

*Item 1 – Cover Page*

Boston Advisors, LLC  
Part 2A of Form ADV  
Brochure

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Updated: March 31, 2015

This Disclosure Brochure (“Brochure”) provides information about the qualifications and business practices of Boston Advisors, LLC (“Boston Advisors”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at 800.523.5903. This Brochure will be filed with the United State Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940 (“Act”). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Boston Advisors is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Although we are a registered investment adviser with the SEC, our registration does not imply any level of skill or training. The information and disclosures we provide to you, including the disclosures in this Brochure, is information that you may use as part of your decision to initially hire us or to continue to maintain our existing investment advisory relationship.

## *Item 2 – Material Changes*

Filing Date: March 31, 2015

In this Item 2, we are required to identify and discuss all material changes since our last annual update of the previous Form ADV, or to include these changes in a separate document accompanying this Brochure.

- Boston Advisors' minority shareholder, the Knights of Columbus, formed a SEC registered investment adviser, the Knights of Columbus Asset Advisors, LLC, ("KOCAA") in January 2015 (SEC Filing: 801 80844). KOCAA serves as investment advisor to several mutual funds which are registered through The Advisors' Inner Circle Fund, III, an investment company registered under the 1940 Company Act. Boston Advisors is the sub-adviser to several of the funds, including:
  - Knights of Columbus Small Cap Fund (Ticker: KCSIX)
  - Knights of Columbus Large Cap Value Fund (Ticker: KCVIX)
  - Knights of Columbus Large Cap Growth Fund (Ticker: KCGIX)
  - Knights of Columbus International Equity Fund (Ticker: KCIIX)
- Boston Advisors, LLC may also act as sub-adviser to separately managed accounts managed by the KOCAA and may give and/or receive client referrals to KOCAA.
- Boston Advisors is no longer the sub-adviser to the Boston Advisors Broad Allocation Strategy Fund (Tickers: BABIX and BABAX) as those Funds liquidated in December 2014.

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#### APPENDIX 1: PRIVACY NOTICE

#### *Item 4 – Advisory Business*

Boston Advisors was established in 1982 to provide investment management services. Boston Advisors is employee controlled and the majority of Boston Advisors is owned by Birdsong Capital, LLC, an employee owned entity. Boston Advisors has two minority shareholders, Krupka, LLC and the Knights of Columbus, each of which hold approximately 20% ownership interests, respectively.

Boston Advisors provides discretionary portfolio management services to institutional and individual clients through two principal divisions; the Institutional Account Group and the Private Account Group.

##### *Institutional Account Group*

The Institutional Account Group provides active investment management on a discretionary basis to institutional clients through an array of investment strategies. Clients retain Boston Advisors to formulate an investment program within a selected investment discipline. Institutional equity strategies offered include US Large Core Equity, US Large Value Equity, US Large Growth Equity, US Small Core Equity, US Small Growth Equity, US Small Value Equity, International ADR Equity and the Broad Allocation Strategy. Catholic screened investment strategies complying with the guidelines of United States Conference of Catholic Bishops (“USCCB”) are also available.

Institutional offerings are also available to model-based programs in which we provide the program sponsor or an overlay manager a particular strategy through model portfolios and, in certain cases, handle certain trading and other functions. Because a model-based program sponsor or overlay manager generally exercises investment discretion and, in many cases, brokerage discretion; performance and other information relating to Boston Advisors is generally provided for informational purposes only and should not be relied upon as an indication of actual client results or experience. In such cases, Boston Advisors is not responsible for overseeing the provision of services by a model-based program sponsor and cannot assure the quality of its services.

##### *Private Account Group*

The Private Account Group provides discretionary and non-discretionary services to a variety of clients. Under discretionary arrangements, Boston Advisors is given full power by the Client to supervise and direct all of the investment of assets in the Client’s account. In these relationships, Boston Advisors has complete authority without prior consultation with the Client; all in accordance with the objectives and guidelines and subject to any limitations expressed by the Client. The investment management process includes analysis of each Client’s objectives, requirements, risk tolerance and existing portfolio holdings.

Under non-discretionary arrangements, Boston Advisors provides investment advisory services and offers recommendations and the Individual Client make the ultimate investment decision regarding the account’s assets and, in some cases, is responsible for the trades to implement

such recommendations. Boston Advisors no longer accepts new non-discretionary advisory Clients.

### *Wrap-Fee Portfolio Management Programs*

Boston Advisors also provides investment advisory services through programs (“programs”) sponsored by broker-dealers or other financial services companies (“sponsors”). Some sponsors may offer a variety of services such as brokerage, custody and investment advisory services (“wrap”) or some combination thereof. For wrap and certain other programs, Boston Advisors is appointed to act as the investment adviser through a process administered by the program sponsor. Clients participating in a program, generally with the assistance from the sponsor, may select Boston Advisors to provide investment advisory services for their account (or a portion thereof) in a particular strategy. Boston Advisors provides investment advisory services based upon the particular needs of the wrap fee program client as reflected in information provided to Boston Advisors by the sponsor, and will generally make portfolio managers and client support personnel available for direct telephone conversations or in-person meetings as reasonably requested by clients and/or sponsors. Clients are encouraged to consult their own financial advisors and legal and tax professionals in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a wrap or other program. In the course of providing services to program clients who have financial advisors, Boston Advisors may rely on information or directions communicated by the financial advisor acting with apparent authority on behalf of its clients.

Under a “wrap-fee” or “dual contract” arrangement offered by a broker-dealer, the broker-dealer recommends the retention of Boston Advisors, pay Boston Advisors’ fee on behalf of the Client, monitor and evaluate Boston Advisors’ performance, execute the Client’s portfolio transactions or provide any combination of these or other services, all for a single fee paid by the Client to the broker-dealer. The firm’s investment advisory fee under such a Wrap-Fee arrangement may differ from that offered to other Clients.

For Wrap-Fee programs, Boston Advisors is appointed through a process administered by the program “sponsor”. Clients participating in the program, generally with assistance from the sponsor, may select Boston Advisors to provide portfolio management services for their account (or a portion thereof) in a particular asset class. Boston Advisors manages a product mandate in accordance with guidelines established by Boston Advisors and Wrap-Fee Sponsor. The broker considers the competitive environment in bidding for a given account, the amount of personal consultation the Client will require, the complexity of the Client’s total financial circumstances, the type of investments the Client wants, the frequency of trades the Client desires, and the Client’s past trading history. Boston Advisors will generally make Portfolio Managers and/or client service personnel available for telephone conversations as reasonably requested by the Program Client and /or the sponsor. Program Clients should review all materials available from the sponsor concerning the sponsor and the program’s terms, conditions and fees. In evaluating the Wrap-Fee arrangement, a Client should recognize that brokerage commissions for the execution of transactions in the Client’s account are generally not negotiated by Boston Advisors.

Wrap-Fee programs may cost the Client more or less than purchasing these types of services separately, depending upon the degree of trading in the account. Boston Advisors may impose a higher account size minimum requirement, which might not otherwise be imposed. For Dual Contract programs, Boston Advisors is appointed to act as a portfolio manager through a process administered by the broker-dealer. However, unlike Wrap-Fee programs, the Client contracts directly with Boston Advisors for portfolio management services. The account is managed according to the mandate of a specific product type. The Client instructs Boston Advisors to direct all brokerage transactions to the broker-dealer administering the program. In Dual Contract programs, the Client pays separate fees to the broker-dealer for executions and to Boston Advisors for portfolio management. Client information, including profile and risk tolerances, is typically obtained by the platform sponsor. The various managers, including Boston Advisors, rely exclusively on suitability determinations and information provided by the platform sponsor.

Boston Advisors may also provide discretionary portfolio management and/or non-discretionary recommendations in the form of model portfolios for separately managed accounts or wrap programs sponsored by various third-party wrap program sponsors.

### *Assets Under Management*

Boston Advisors' total assets under management as of December 31, 2014 were \$2.8 billion. Of that total, \$2.6 billion represented discretionary assets and \$210 million represented non-discretionary assets.

## *Item 5 – Fees and Compensation*

### *General Fee Schedule Information*

All fees and minimums are negotiable and may vary from Client to Client based upon a number of factors, including, but not limited to: pre-existing relationship or number of other accounts, assets under management, portfolio complexity and investment strategy employed. Fees can be fixed or be based on a progressive fee or non-progressive fee schedule. A progressive fee schedule is a tiered schedule with established breakpoints. As account assets increase beyond established breakpoints, the fee is reduced for amount of assets beyond breakpoint, which equates to a blended fee (e.g., client invests \$4,000,000; if a high net worth client, the first \$3,000,000 is charged 2.00% and the remaining \$1,000,000 is charged 1.50% for a blended fee). A non-progressive fee schedule means that the entire account will be charged the fee that corresponds with the total account value and that type of account (e.g., client invests \$4,000,000; if a high net worth client, the client is charged 1.50% for the entire account value). Related accounts may be aggregated for fee calculation purposes in certain circumstances, in which case an Additional Account Fee may be charged. Employees of Boston Advisors may receive fee discounts that are not offered to non-employees.

Fees are generally payable quarterly (either in advance or in arrears, or in the case of Wrap-Fee accounts as determined by the Wrap-Fee sponsor) based upon the calendar quarter-end market value. Fees paid in advance are refunded on a pro-rata basis if the service is terminated within the payment period. Refund is calculated from date of receipt of notice.

The initial fee covers the period from the inception date through the last day of the first billing quarter (or period if different than quarterly) and will be pro-rated accordingly. Thereafter, Boston Advisors is paid on a quarterly basis either in advance or arrears. Unless otherwise agreed to by Boston Advisors, the quarterly fee will be based on the total value of the account on the last calendar day of the previous billing quarter (or period if different than quarterly) and will become due upon Client's receipt of invoice. Fees will be paid, either by direct payment or automatic deduction from the account by the custodian in accordance with the Client authorization in the applicable Agreement. No fee adjustment will be made during any billing quarter for appreciation or depreciation in account asset value during that quarter, and generally no adjustment or refund shall be made with respect to partial withdrawals by the Client during any billing quarter or semi-annual period, as applicable.

In limited instances, Boston Advisors may charge a fixed fee as opposed to a tiered fee based on assets under management. Fixed fees for portfolio management services are negotiated and agreed upon based on Client type, asset class, pre-existing relationship, portfolio complexity and account size.

For Clients subject to ERISA and the Code, Boston Advisors' receipt of compensation and fees are subject to the restrictions imposed by ERISA and the Code and any applicable exemption thereto. Pursuant to Department of Labor Rule 408(b)(2), as a fiduciary and service provider to ERISA clients, Advisers are required to make disclosures about their receipt of direct and indirect compensation. All direct compensation is in the form of advisory fees which are detailed in Exhibit C to the Investment Management Agreement with the client. Our general fee structure is outlined above. Indirect compensation, as defined in Rule 408(b)(c) includes items such as the

Adviser's receipt of soft dollars. To the extent permissible under Section 28(e) of the Exchange Act, the Adviser may use soft dollars. Soft dollars is discussed more fully below.

In the event of inadvertent receipt of check or other financial instrument payable to a Client, Boston Advisors reserves the right to send the check or instrument to the client or its custodian rather than back to the original sender when it believes that such procedure provides best overall protection for the underlying assets.

### *Fees and costs not included in the Management Fee*

Boston Advisors' compensation is separate from brokerage commissions, dealer spreads and other costs associated with the execution of securities transactions for Client accounts. In addition to the Management or Advisory fee, Clients may be charged other fees which may include, but not limited to the following: custody fees, transfer taxes, dividend reinvestment costs, electronic funds and wire transfer fees, Non-Network Fee, as described below, Additional Account Fees, as described below, and any other charges or expenses imposed by law or otherwise agreed to. If applicable, these fees will be charged to the Client in addition to Boston Advisors' management fee.

The Non-Network Fee is a fee that may be charged to certain individual Clients who elect to use a Non-Network broker or custodian. Network brokers are those brokerage firms with which Boston Advisors has formed operating alliances in order to provide the capability of electronically exchanging data relating to a Client's account. If a Client elects to use a Non-Network broker or custodian, an additional annual fee of \$500.00 per account may be charged.

The Additional Account Fee is a fee that may be charged to each account whose assets have been aggregated for fee-setting purposes. If a Client elects to aggregate multiple accounts for fee-setting purposes, an annual fee of \$500.00 per each additional account other than the primary account may be charged.

Boston Advisors' compensation is also separate from and in addition to management fees, distribution and other fees and expenses paid by mutual funds, exchange-traded funds, money market funds or closed-end funds held in Client's account.

### *Individual Client Fee Schedule – Equity and Balanced Portfolios*

The fee for portfolio management services provided by Boston Advisors to Individual Clients is based upon the total market value of the account. Fees and minimums are negotiable. The fee is computed according to the following schedule:

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$3,000,000 of total market value	2.00% per year
Next \$6,000,000 of total market value	1.50% per year
Next \$9,000,000 of total market value	1.00% per year
Balance of total market value	Negotiable



The minimum annual fee for each Individual Equity/Balanced account is \$5,000.

The fee for portfolio management services provided by Boston Advisors to Institutional Clients is based upon the total market value of the account and varies depending on the investment strategy employed. The fee is computed according to the following schedules:

***Institutional Equity Fee Schedule – Large Cap Core Equity***

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$25,000,000	0.70% per year
Next \$25,000,000	0.65% per year
Next \$50,000,000	0.55% per year
Balance	0.50% per year

The minimum annual fee for each Institutional Core Equity account is \$35,000.

***Institutional Equity Fee Schedule – Large Cap Value***

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$25,000,000	0.65% per year
Next \$25,000,000	0.60% per year
Next \$50,000,000	0.55% per year
Balance	0.50% per year

The minimum annual fee for each Institutional Large Cap Value account is \$32,500.

***Institutional Equity Fee Schedule – Large Cap Growth***

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$25,000,000	0.65% per year
Next \$25,000,000	0.60% per year
Next \$50,000,000	0.55% per year
Balance	0.50% per year

The minimum annual fee for each Institutional Large Cap Growth account is \$32,500.

***Institutional Equity Fee Schedule - Small Cap Core***

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$25,000,000	0.90% per year
Next \$25,000,000	0.85% per year
Balance	0.80% per year

The minimum annual fee for each Small Cap account is \$45,000.

***Institutional Equity Fee Schedule – ADR***

The following is our standard Institutional ADR fee schedule for separate accounts:

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$3,000,000	1.00% per year
Next \$3,000,000	0.80% per year
Next \$3,000,000	0.60% per year
Balance	0.40% per year

***Broad Allocation Strategy***

The following is our standard Broad Allocation Strategy fee schedule for separate accounts:

<u>Assets Under Management</u>	<u>Maximum Management Fee</u>
First \$3,000,000	1.00% per year
Next \$3,000,000	0.90% per year
Next \$4,000,000	0.80% per year
Next \$40,000,000	0.70% per year
Next \$50,000,000	0.60% per year
Next \$100,000,000	0.50% per year

The minimum annual fee for each Broad Allocation Strategy account is \$2,000.

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

Boston Advisors does not charge performance-based fees.

### *Item 7 – Types of Clients*

Boston Advisors provides discretionary portfolio management services to individual and institutional clients.

Our Clients include:

- Individuals
- Investment companies (mutual funds, including variable annuity)
- Corporations or other business entities
- Private and governmental retirement, pension and profit sharing plans
- Charitable organizations
- Trusts and estates
- Endowments, foundations and non-profit entities
- Banks

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

### *Methods of Analysis and Investment Strategies*

The institutional investment process combines quantitative and qualitative models and disciplines to construct portfolios.

#### Stock Selection Model

The factors in our model are based on fundamental company characteristics. The factors fall into one of four families, or groupings; Valuation, Investor Sentiment, Growth & Profitability, and Earnings Quality. There are several different factors within each family. Each factor is tested and monitored for performance within each of our 23 industry groups. We calculate information coefficients and information ratios for each factor by industry group; we then use the factors that have the highest efficacy to calculate an industry-group relative rank for each stock. In effect, we have an individual model for each industry group, consisting of the factors that we believe work the best in that group. The rankings are product specific; stocks are ranked relative to their industry group within a product-specific universe, which consists of all securities within the underlying benchmark, plus all common stocks that trade on a US exchange that have similar capitalization, liquidity, and style characteristics of that benchmark. The end result is a decile-ranking of all stocks in the universe, 1-10, where 1 is the best, 10 is the worst.

#### Regime Model

The regime model utilizes market, fundamental and economic factors to seek to determine the current US stock market state, as either bull, bear, or efficient. While the model does not attempt to predict market direction, simply by describing the current state, we look to influence factor weightings based on the optimal combination of factors for that regime.

#### Industry Group Model

Using the same framework as our stock selection model, we aggregate fundamental data by group and rank industry groups relative to each other, from most to least attractive. We then use this input to determine which sectors and industry groups may outperform the broader market and which to over or underweight.

Portfolios are constructed using buy candidates, those that are well ranked, from our stock selection model. Portfolios are built industry group by industry group. Industry group weights are determined by a separate group model, which considers both bottom-up criteria aggregated by group as well as macro considerations. Under normal market conditions, both sector and industry group weights are kept within 3-5% of the underlying benchmark. The institutional investment team has final oversight in terms of the size and direction of sector and group weights.

#### Risk Model

An integral part of the portfolio construction process is our risk model. We utilize a custom risk model to quantify and manage exposures in the portfolio. Exposures include aggregate risk

parameters (such as sector and factor exposures and beta) as well as individual stock exposures, as measured by contribution to tracking error.

For Private Account Group clients, Boston Advisors offers asset allocation and customized account solutions in addition to the Private Account Group product offerings. The process begins with a screening for good valuation and increasing business momentum across the universe of available companies to narrow down the list of potential investments. We then conduct a review to understand the business fundamentals and dynamics of each company stock we plan to purchase. Boston Advisors will tailor services on the basis of specific client's needs and objectives and will accept restrictions on investing in certain securities or types of securities.

Eligible stock universe include but is not limited to: exchange listed securities, exchange traded funds (ETFs), over-the-counter securities, corporate debt securities, warrants, options, American depository receipts (ADRs), commercial paper, mutual funds, U.S. government securities, and municipal securities.

### *Risk of Loss*

All investments carry risk, including the possible loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Each method of analysis requires subjective assessments and decision-making by investment professionals which carry the risk of an error in judgment. Further, risk of loss may be amplified depending on the types of securities purchased. For example, certain securities may lack liquidity, such as some ETFs and small capitalization securities. In such cases, there will be a limited market to sell such positions and losses can be incurred. Certain ETFs used may trade at a material discount or premium to the underlying asset value of the ETF. Further, the use of leveraged and inverse ETFs can result in sudden and material loss of capital. Boston Advisors cannot guarantee performance. Historical results cannot be relied up on for future results.

Risk of loss may also result from trading practices as a result of managing different types of Clients. Relating to services Boston Advisors' provides to model portfolios and or overlay managers, the recommendations made in the model portfolios provided to the sponsor or overlay manager may be the same or similar to recommendations made by Boston Advisors to other clients. In doing so, Boston Advisors may have already commenced trading before sponsor or overlay manager has received or had the opportunity to act on Adviser's recommendations. As a result, trades ultimately placed by sponsor or overlay manager for its clients may be subject to price movements that may result in model-based program clients receiving prices that are less favorable than the prices obtained by Boston Advisors for its own discretionary clients. Alternatively, the sponsor or overlay manager may initiate trading before or at the same time Boston Advisors is also trading for its discretionary clients, which could result in Boston Advisors' discretionary clients receiving more favorable prices than might otherwise have been obtained absent sponsor or overlay manager's trading activity. Because Boston Advisors cannot control sponsor or overlay manager's execution of transactions, Boston Advisors cannot control the market impact of such transactions to the same extent that it would for its discretionary client accounts.

*Item 9 – Disciplinary Information*

Under this item we are required to disclose to you any information and related material facts regarding any legal or disciplinary events that would be material to a current or prospective client.

Boston Advisors has no material legal or disciplinary events to disclose regarding its advisory business or the integrity of its management.

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

The Knights of Columbus Asset Advisors, LLC, (“KOCAA”) (SEC Filing: 801 80844) is a wholly owned subsidiary of the Knights of Columbus, which owns a 20% interest in Boston Advisors. While the Knights of Columbus own a minority interest in Boston Advisors, they do not participate in the day to day activities of Boston Advisors or exercise any control. KOCAA serves as investment adviser to several mutual funds which are registered through The Advisors’ Inner Circle Fund, III, an investment company registered under the 1940 Company Act. Boston Advisors is the sub-adviser to several of the funds, including:

- Knights of Columbus Small Cap Fund (Ticker: KCSIX)
- Knights of Columbus Large Cap Value Fund (Ticker: KCVIX)
- Knights of Columbus Large Cap Growth Fund (Ticker: KCGIX)
- Knights of Columbus International Equity Fund (Ticker: KCIIX)

Boston Advisors may also act as sub-adviser to separately managed accounts managed by KOCAA and may give and/or receive client referrals to KOCAA.



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

### *Code of Ethics and Personal Trading*

Boston Advisors has a Code of Ethics which governs actual or potential conflicts of interest or unethical conduct by access persons. The Code of Ethics also governs the personal trading activities of Boston Advisors' access persons. Access persons are defined as all officers and employees with access to trading activities and holdings of Client portfolios. Non-employee members of the Independent Board of Directors are not deemed access persons. In general, such access persons are prohibited from using knowledge of Client security transactions to profit by the market effect of such transactions. As such, access persons are prohibited from effecting transactions in securities for their own account, or for the accounts in which they have a beneficial interest or control where such securities have been purchased or sold the same day for a Client account. Access persons are required to pre-clear non-exempt personal securities transactions and are required to have duplicate copies of confirmations or statements sent to Boston Advisors in order to monitor compliance with Boston Advisors personal trading policies and restrictions. Exempt securities include shares of open-end mutual funds. An "Access Person" is an employee who has real time trading knowledge of what has been and will be traded for a Fund. Under the Code of Ethics, employees are subject to certain limitations regarding the receipt or giving of gifts to others. Clients may request a copy of Boston Advisors' Code of Ethics at any time.

### *Participation or Interest in Client Transactions*

On occasion, Boston Advisors may effect "cross" transactions between Client accounts in which one Client will purchase securities held by another Client. Such transactions are only entered into when Boston Advisors deems the transaction to be in the best interests of both Clients and at a price that is determined to be fair to both parties by reference to independent market indicators (or as otherwise prescribed by law). Boston Advisors does not receive any compensation in connection with such "cross" transactions.

Boston Advisors may recommend that clients invest in certain investment companies to which Boston Advisors may receive advisory fees, such as shares of the Knights of Columbus mutual funds and/or the Nationwide Growth Fund. To the extent that Boston Advisors invests advisory client assets in shares of such investment company, Boston Advisors may waive investment advisory fees on the assets invested in such shares, or limit the payment of duplicative fees to Boston Advisors through other means or charge fees both at the investment company level and separate account level to the extent permitted by applicable law. Additionally, officers, board members, and/or employees of Boston Advisors, from time to time, may purchase or sell, or hold positions in, securities recommended to Clients, including purchasing securities that are being sold for Clients and vice versa. Boston Advisors has no obligation to acquire for a client account a position in any investment which it, acting on behalf of another client, itself or an employee, may acquire, and the client accounts shall not have first refusal, co-investment or other rights respect of any such investment.

In the process of rectifying a trade error for a Client transaction, net losses to the Client are generally reimbursed directly by either Boston Advisors, the broker responsible for the

transaction or a combination of both. In instances where a net gain has resulted from a trade error, Boston Advisors will generally directly benefit from the gain.

Boston Advisors may recommend that Clients use a particular broker for custody and/or brokerage services. Boston Advisors receives benefits from custodians and broker dealers including, but not limited to, travel and entertainment, preferred vendor pricing, invitations to conferences, business loans and business consulting. As a result, Boston Advisors may have an interest in custodians and broker dealers suggested for use by Clients.

## *Item 12 – Brokerage Practices*

### *General Authority*

When Boston Advisors is authorized to trade on behalf of a Client, either because the account is discretionary or the Client has specifically authorized a transaction for a non-discretionary account, Boston Advisors places orders for the execution of securities transactions for a Client's accounts with brokers. Generally, Boston Advisors has authority under the investment advisory agreement to select the broker to effect the Client's trades, subject to Boston Advisors' obligation to obtain best execution. In some cases, the Client retains the power to select the broker or brokers through which all or specific transactions are implemented. In non-discretionary accounts, the Client may elect to place for itself all trades for the account. Pricing of securities is supplied by the custodians and/or independent third party pricing sources.

### *Custodians and Brokers We Use*

Boston Advisors does not maintain custody of Client assets that we manage (although we may be deemed to have custody of assets if a Client gives us authority to withdraw assets from their account (see Item 15 Custody, below). Client assets must be maintained in an account at a "qualified custodian", generally a broker dealer or bank. While Boston Advisors may recommend a broker that a Client uses as custodian/broker, the decision belongs to the Client. Finally, while an account is maintained with a particular custodian, Boston Advisors may use other brokers to execute trades for Client accounts, as described in the next paragraph.

### *How We Select Brokers/Custodians*

In placing orders for the purchase and sale of securities and selecting brokers to effect these transactions, Boston Advisors considers several of factors, including, among others, the following:

- combination of execution services along with asset custody services (generally without a separate fee for custody),
- the broker's capability to execute, clear and settle trades (buy and sell securities for your account) and the ability to provide electronic transaction and communication services to the Client and Boston Advisors,
- the efficiency with which the transactions are effected and competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc. and their willingness to negotiate them,
- the broker's ability to offer soft dollar credits toward research and services,
- the broker's ability to affect the transactions where a large block is involved, the availability of the broker to stand ready to execute possible difficult transactions in the future,
- availability of other products and services that benefit Boston Advisors, as discussed below (see "Products and Services Available to Boston Advisors from brokers").

A higher commission is paid to a broker providing additional services such as the provision of research and other services (Soft Dollars), as more fully discussed below. Accordingly,

transactions may not always be executed at the lowest possible commission cost but commissions will generally be within the general range for that type of transaction.

Exceptions to our standard brokerage practices are transactions with respect to brokerage directed by the Client known as “directed brokerage”, as discussed more fully below, or with respect to a commission recapture program selected by the Client are described in this paragraph.

Further, some of Boston Advisors’ Clients are the result of referrals from various brokerage firms who provide Boston Advisors referral and other services as a result of Boston Advisors’ participation in certain programs. When an account is referred by a particular registered representative or brokerage firm, and Boston Advisors is directed to effect brokerage transactions through that representative, Boston Advisors has a conflict of interest between its duty to the Client to obtain the most favorable brokerage commission rates available under the circumstances and its desire to obtain future referrals and services from that registered representative or brokerage firm.

Boston Advisors manages a number of accounts, some with similar or identical investment guidelines and some with different guidelines, that which may trade in the same securities. Portfolio decisions with respect to purchases and sales of securities may be similar or different from Client to Client. Boston Advisors may, but need not, purchase or sell the same securities at the same time for various accounts, and may in fact be selling a security for one account at the same time as it is purchasing the same security for another account. In making its investment decisions for each account, Boston Advisors will use its judgment on behalf of each Client taking into account the investment guidelines for the account, the cash position of the account and other factors. It is Boston Advisors’ policy to allocate investment opportunities to the extent practicable to each account over time in a manner that Boston Advisors believes is fair and equitable to each Client account.

Sometimes, Boston Advisors may buy or sell a particular security on the same day for more than one Client. Boston Advisors may, but need not, aggregate or “block” orders for accounts for which it has investment discretion, in circumstances in which Boston Advisors believes that batching will result in a more favorable overall execution. Where appropriate, Boston Advisors allocates such batched orders at the average price of the aggregated order. Boston Advisors may batch a Client’s trades with trades of other Clients pursuant to an allocation process Boston Advisors considers fair and equitable to all Clients over time. Generally, all accounts that participate in a block transaction will participate on a pro rata, percentage or other objective basis. Similarly, the costs of all non account-specific commissions and transaction fees through executing broker-dealers will be charged to the advisory Clients on a pro rata basis. No Client account will be favored consistently over any other Client account.

Fixed income securities are generally purchased from the issuer or a primary market maker acting as principal on a net basis with no brokerage commission paid by the Client. Such securities, as well as equity securities, may also be purchased in public offerings from underwriters at prices which include underwriting commissions and fees. Most fixed income trades in the secondary market are executed on a competitive basis. Brokers are selected to compete based on their competitiveness in the past, Boston Advisors’ familiarity with the Broker and the current market environment.

### *Your Custody and Brokerage Costs*

Custodians generally do not charge you separately for custody services but are compensated by charging you commission or other fees on the trades that it executes or that settle into your custodian/brokerage account. In certain cases, commission rates applicable to our client accounts may have been negotiated based on our commitment to maintain a specific amount of our clients assets in accounts held by certain brokers, such as Schwab and/or Fidelity, among others. This commitment may benefit you because the overall commission rates you pay may be lower than they would be if we had not made the commitment. In addition to commissions, custodians/brokers may charge you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that has been executed by a broker other than your custodian. These fees are in addition to the commissions or other fees you pay to the executing broker. Because of this, in order to minimize your trading costs, we have your custodian broker execute most trades for your account.

### *Products and Services Available to Boston Advisors From Custodians/Brokers*

Certain brokers, such as Schwab and/or Fidelity provide Boston Advisors and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to retail customers. Certain brokers, such as Schwab and Fidelity also makes available various support services. Some of those services help Boston Advisors to manage or administer our clients’ accounts while others help us manage and grow our business. Such support services are generally available on an unsolicited basis (meaning we do not have to request them) and at no charge to us as long as we continue to keep a specified minimum of our clients’ assets in accounts at the custodian/broker. Below is a more detailed description of “support services” offered by custodians/brokers:

*Services That Benefit You:* Institutional brokerage may provide you access to a broad range of investment products, execution of securities transactions and custody of assets. The investment products available through institutional brokerage include some to which we might not otherwise have access or that would require potentially higher minimum initial investment by our clients.

*Services that May Not Directly Benefit You.* Boston Advisors may receive the benefit of access to products and services that benefit Boston Advisors but may not directly benefit you or your account. These products and services assist us in managing and administering our client’s accounts. They include investment research, both of the broker and also research of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at the custodian/broker to which supplied it. In addition to investment research, certain custodian/brokers such as Fidelity also make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements),
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts,

- provide pricing or other market data,
- facilitate payment of our fees from clients' accounts, and
- assist with back-office functions, record keeping and client reporting.

*Services That Generally Benefit Only Boston Advisors.* Boston Advisors may be offered other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events,
- technology, compliance, legal and business consulting,
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Some of the services may be provided by the broker itself. In other cases, the broker may arrange for third-party vendors to provide the services to us. Custodians/brokers may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. We may also receive other benefits such as occasional business entertainment of our personnel.

*Our Interest in Broker Services.* The availability of these services from brokers benefits Boston Advisors because we do not have to produce or purchase them. Boston Advisors does not have to pay for the brokers' services as long as we keep a minimum of client assets in accounts held at the custodian/broker. The minimum, therefore will give us an incentive to recommend certain custodian/brokers to maintain your account based on our interest in receiving the services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of these brokers as custodian and broker is the best interests of our clients. It is primarily supported by the scope, quality and price of the broker's services and not the services that only benefit us. In many cases, there are significant client assets already custodied at the broker and the minimums are therefore not an issue.

### *Soft Dollars*

Boston Advisors may select a broker that provides it with research products or services in accordance with Section 28(e) of the Securities Exchange Act ("Soft Dollars"). Soft Dollars is the term used to describe the use of client commissions for payment of research and services offered by a third party or a broker to an Adviser. Boston Advisers uses Soft Dollars. Generally, the following types of research and services are purchased with Soft Dollars:

- Third party macro-economic research
- Risk models and analytics
- Stock selection models
- Financial models
- Benchmark data
- Portfolio analytics

When Boston Advisors uses client transactions to obtain research and services that Boston Advisors would otherwise have to pay for at its own expense, there is an incentive for Boston Advisors to place a greater volume of transactions or pay higher commissions than would otherwise be the case. Typically, \$0.02 to \$0.04 cents per share are added to the standard commission fee in order to pay for Soft Dollar research. This additional cost is paid by the Client. Boston Advisors obtains most of the research and brokerage services through transactions executed for larger institutional Clients for whom Boston Advisors exercises full brokerage discretion, which represent a small percentage of Boston Advisors' overall Clients. Boston Advisors uses the benefits of such research and services for all of Boston Advisors' Clients, not just the clients whose transactions generate the commissions which pay for the research and brokerage services.

Boston Advisors has engaged Westminster Research Associates, a FINRA registered broker dealer and subsidiary of ConvergeX Holdings ("Westminster"), for commission aggregation and third party research payment in association with Boston Advisors' use of Soft Dollars. Commission aggregation allows Boston Advisors to seek best execution across a network of brokers while consolidating the administrative and reporting functions of the Soft Dollar payments with Westminster.

Where Boston Advisors receives a benefit from a service that is not considered "research" under Section 28(e), Boston Advisors calculates a "soft dollar allocation" the purpose of which is to calculate the cost of a service that may not be paid for with client commissions. In such instances, Boston Advisors will determine the portion of such brokerage and research not used in the investment decision-making process and will pay for such portion out of its own funds.

Boston Advisors may effect a step-out trade to a different broker for one of several reasons, including to direct a trade to a broker that Boston Advisors believes can provide the best net price and execution on a transaction or to direct a trade to a different broker as part of the modification of the terms of the trade.

### *Client-Directed Brokerage Arrangements*

A Client may engage in directed brokerage by designating a particular brokerage firm for all or a portion of Client's executions. Some of Boston Advisors' Clients utilize a broker-dealer as custodian for their securities. Clients who establish custodial accounts with a broker-dealer typically direct Boston Advisors to effect all portfolio transactions through that broker-dealer at a rate agreed to between the Client and broker. Clients are free to choose or change broker-dealers at their discretion.

Some of Boston Advisors' Clients are the result of referrals from various brokerage firms who provide Boston Advisors referral and other services as a result of Boston Advisors' participation in certain programs. When an account is referred by a particular registered representative or brokerage firm, and Boston Advisors is directed to effect brokerage transactions through that representative, Boston Advisors has a conflict of interest between its duty to the Client to obtain

the most favorable brokerage commission rates available under the circumstances and its desire to obtain future referrals and services from that registered representative or brokerage firm. For example, Boston Advisors participates in the broker sponsored programs which offers to independent investment advisers services which include price reductions to website design custody of securities, trade execution, clearance and settlement of transactions.

A Client who designates use of a particular broker-dealer, such as their custodian, for all or a specific portion of its trades should understand that it may lose the possible advantage which may be available to non-designating Clients. Some of the issues that should be considered by Clients directing the use of particular brokers or dealers:

- . A Client which directs Boston Advisors to use a specific broker may pay higher commissions on some transactions than might be obtainable by Boston Advisors, or may receive less favorable execution of some transactions, or both;
- . A Client directing brokerage may not be able to participate in an allocation of shares of a new issue if those new issue shares are provided by another broker;
- . A Client may forego any benefit from savings on execution costs that Boston Advisors could obtain for its Clients through negotiating volume discounts on commingled or “block” orders for purposes of execution with orders for the same security for other accounts managed by Boston Advisors; and
- . Generally, Boston Advisors will make no attempt to negotiate execution costs on Client’s behalf.

While Boston Advisors rarely invests in shares of an initial public offering (“IPO”), unless a specific IPO is requested by Client, for any Client accounts for which an initial public offering is an appropriate investment in light of the account’s objective and current portfolio composition, the allotment provided to Boston Advisors would generally be allocated among participating accounts pro rata based on the requested order size of each account. Oversubscribed offerings (“hot stocks”) would generally be allocated among participating accounts pro-rata based on cash availability, indication of interest and assets under management with Boston Advisors. Purchases from the secondary market generally are allocated to each account pro-rata based on the relative size of the account’s order in relation to the total orders from all accounts.

Boston Advisors has adopted a trade rotation protocol that specifies the order of execution and subsequent allocation of trades. The protocol is designed so that Client accounts are executed based on the executing broker-dealer on a calendar based rotation that is reset on a daily basis.

Generally, institutional accounts are traded in block orders with a specific group of brokers. Private Account Group Clients, who typically direct their brokerage to specific broker dealers, are usually not block traded.

### *Wrap-Fee Executions*

In evaluating Wrap-Fee arrangements, a Client should recognize that brokerage commissions or the execution terms of transactions in the Client’s account are not negotiated by Boston Advisors. Securities transactions for accounts that are under a Wrap-Fee arrangement are effected “net”, i.e. without commission, and a portion of the Wrap-Fee is generally considered as being in lieu of commissions. Trades are generally executed only with the broker-dealers with



which the Client has entered into the Wrap-Fee or all inclusive Wrap-Fee arrangement; so that Boston Advisors may not be free to seek best price and execution by placing transactions with other broker-dealers with which it presently acts under the Client's Wrap-Fee arrangements. Accordingly, the Client should consider whether the broker-dealer offering the Wrap-Fee program can provide adequate price and executions of transactions. For a description of commission arrangements for Wrap-Fee accounts, see the Form ADV for each respective "Wrap-Fee" program sponsor.

### *Item 13 – Review of Accounts*

Clients generally receive quarterly or semi-annual statements from Boston Advisors regarding their accounts. Statements typically includes account appraisal, performance for a stated period, asset allocation and holdings. While holdings information is provided by Boston Advisors, Clients should be aware that the statement which the Client receives from his or her custodian is the official record of holdings. All Client accounts are maintained on a portfolio accounting system which is reconciled against the custodial statement. Clients may, by specific request, receive gain/loss information and contribution and withdrawal activity. Where the Client has not authorized Boston Advisors to receive duplicate custodial statements, the performance statement provided by Boston Advisors is an estimate of performance based on the information provided by Client and should not be relied upon by Client as an accurate or complete record of holdings or performance. Where performance is provided, performance is calculated by our portfolio accounting system in compliance with industry standards that Boston Advisors believes are prudent and equitable. Performance is calculated on a time-weighted basis and generally includes the reinvestment of dividends and interest. Performance can be calculated either gross or net of fees. Boston Advisors relies on Client's disclosure of fundamental changes in the Client's circumstances that may impact the goals and investment program previously established. Boston Advisors may also distribute economic commentaries and other materials periodically. Special reports may be prepared to meet specific client requirements. Boston Advisors also communicates informally (by telephone or email) and may meet with Clients.

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

### *Referral Programs*

As discussed above, Boston Advisors participates in several advisor networking programs for the receipt of Client referrals and services (together the “Services”) sponsored by firms including but not limited to Fidelity Wealth Advisor Solutions Program (the “WAS Program”), through which Boston Advisors receives referrals from Strategic Advisers, Inc. (“SAI”), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments (together the “Referring Firms”, each a “Referring Firm”). The Services are designed to help investors find an independent investment adviser. Boston Advisors usually pays the Referring Firm fees to receive Client referrals through the Services. *More information specific to the WAS program is detailed in the last paragraph of this section below.*

In addition to Client referrals, Referring Firms have provided Boston Advisors additional services. Boston Advisors has received an economic benefit from Referring Firms in the form of support products and services it makes available to Boston Advisors and other independent investment advisers that have their clients maintain accounts. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). These additional services are considered “other compensation”. Other services provided to Boston Advisors by Referring Firms include: discounts on third party consulting services, such as website design and hosting and compensation analysis; and preferred access to trade execution and clearance and settlement of transactions. Also, an affiliate of a Referring Firm, Fidelity Brokerage Services, LLC has provided Boston Advisors with a commercial loan. The receipt of these services and benefits creates a conflict of interest because Boston Advisors has an incentive to recommend its Clients to the Referring Firm for custody and brokerage services.

Each Referring Firm is a SEC-registered broker-dealer independent of and unaffiliated with Boston Advisors. None of the Referring Firms supervise Boston Advisors and none of the Referring Firms have responsibility for Boston Advisors’ management of Clients’ portfolios. The Referring Firms do not make any determination as to the suitability of the investment activity undertaken by Boston Advisors relative to client accounts. Boston Advisors’ participation in any of the Services offered by a Referring Firm may raise potential conflicts of interest described below.

Boston Advisors may also pay the Referring Firm a “Participation Fee” to be part of the referral program. The Participation Fee in such circumstances is paid by Boston Advisors and is a percentage of the fees the Client owes to Boston Advisors or a percentage of the value of the assets in the Client’s account, usually subject to a minimum. In most, if not all circumstances, Boston Advisors may pay the Participation Fee for so long as the referred Client’s account remains in custody with the Referring Firm. The Participation Fee is generally billed to Boston Advisors quarterly and may be increased, decreased or waived by the Referring Firm from time to time. Boston Advisors will not charge Clients referred through the Services fees or costs greater than the fees or costs Boston Advisors charges similar Clients with similar portfolios who were not referred through the Services. For accounts maintained in custody at Referring Firms, the Participation Fees are based on assets in accounts of Boston Advisors’ Clients who were referred by the Referring Firms and those referred Clients’ family members living in the same household. As a result, Boston Advisors may have an incentive to cause trades for accounts

referred through the Services to be executed through the Referring Firm rather than another broker-dealer. There is a potential conflict of interest on the part of Boston Advisors in obtaining best execution and Boston Advisors' receipt of future referrals from the Referring Firms. Referring Firms may also be Network Brokers. Further, there is a potential conflict of interest on the part of Boston Advisors due to the fact that Boston Advisors may have incentives to encourage household members of Clients referred through the Service to maintain custody of their accounts and execute transactions at the Referring Firm and to instruct the Referring Firm to debit Boston Advisors' fees directly from the accounts. Trades for Client accounts held in custody at any one of the Referring Firms may be executed through a different broker-dealer than trades for Boston Advisors' other Clients. Trades for accounts custodied with any one of the Referring Firms may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers and the Clients may not obtain the benefits of order aggregation discussed above. Boston Advisors nevertheless acknowledges its obligation to seek best execution of trades for client accounts.

Boston Advisors also continues to make referral payments to broker dealers for past participation in referral programs, such as Schwab Adviser Network® ("SAN"). In the case of SAN, Boston Advisors pays Schwab a Participation Fee on all referred Clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. Boston Advisors generally pays Schwab a Non-Schwab Custody Fee if custody of a referred Client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the Client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Boston Advisors generally would pay in a single year. Thus, Boston Advisors will have an incentive to recommend that Client accounts be held in custody at Schwab even though Boston Advisors is no longer in the SAN program.

Boston Advisors may benefit from services from broker dealers as a result of Boston Advisors having Client assets maintained in such broker dealers and/or for participating in a broker dealer's institutional customer program. For instance, Boston Advisors may benefit from services provided by Fidelity Brokerage Services, LLC and other brokers including brokerage, custody, research, access to a trading desk serving adviser participants; access to block trading and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Such broker dealers may also make available to Boston Advisors other products and services that benefit us but may not benefit its Clients' accounts. Some of these other products and services assist Boston Advisors in managing and administering Clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and duplicate account statements), affiliate trade execution and allocation, pricing information, assistance in payment of our fees, at time through automatic deduction from Client accounts and assist with back-office functions, record-keeping and reporting, access to an electronic communications network for Client order entry and account information and discounts on compliance, marketing, research, technology, and practice management products or services provided to Boston Advisors by third party vendors. Many of these services generally may be used to service all or a substantial number of our accounts. Such broker dealers may also make available to Boston Advisors other services intended to help us manage and develop its

information technology and marketing and may make available, arrange and/or pay for these types of services rendered to Boston Advisors from independent third parties. 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 Boston Advisors or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Boston Advisors' choice of broker dealer for custody and brokerage services.

Boston Advisors may also recommend unaffiliated accountants or attorneys to Clients for tax, trust and estate, accounting or legal advice. The unaffiliated parties recommended by Boston Advisors may provide Boston Advisors with client referrals.

Aside from non-affiliated referral arrangements, Boston Advisors may also compensate certain of its employees who refer prospective Clients to Boston Advisors. Employees are not entitled to this compensation unless the prospect actually becomes a Client. Portfolio Managers may receive incentive compensation for gaining discretionary authority over a client's assets, changing an account to automatic debit or other actions which Boston Advisors believes would allow it to provide improved management of the account.

Boston Advisors has engaged a third party marketing firm, CapVisor Associates, LLC, to solicit and refer clients to Boston Advisors. When a client is referred to Boston Advisors from CapVisor Associates, Boston Advisors compensates CapVisor Associates a portion of the fee it receives for investment management services.

Boston Advisors may send corporate gifts and/or pay for meals and entertainment such as golfing and tickets to sporting events for Clients and prospective Clients and individuals of firms that do business with Boston Advisors. The giving and receipt of gifts and other benefits are subject to limitations under Boston Advisors' Code of Ethics.

Boston Advisors may make a charitable donation to qualified 501(c)(3) charities for successful Client referrals or for charities who are Clients of Boston Advisors. Boston Advisors may also donate to charities supported by such unaffiliated parties who provide client referrals to Boston Advisors.

As more fully discussed in Section 12 "Soft Dollars" above, Boston Advisors has entered into arrangements by which certain brokers will provide investment research and related products and services to Boston Advisors in exchange for executing Client brokerage transactions through that particular broker. The use of Soft Dollars saves Boston Advisors the expense of paying for such research and services itself. Clients should be aware that soft dollar arrangements may create a potential conflict of interest between Boston Advisors and its Clients. The conflict of interest may be deemed to exist because Boston Advisors' decision to use a particular broker may in part be based on the broker's ability and/or willingness to provide certain products and services, not merely on the broker's ability to provide the best trade execution for the best price.

Further, Boston Advisors will typically pay higher commissions as a result of using brokers who provide Soft Dollars research or other products and services. Soft Dollar research and services may be one of many factors considered in arriving at an execution price for brokerage

transactions. Please see Section 12 above for a full discussion of Soft Dollar practices and the types of research and services paid for with Soft Dollars.

*Additional Information Specific to Boston Advisors' Participation in Fidelity Wealth Advisor Solutions®.*

Boston Advisors participates in the Fidelity Wealth Advisor Solutions Program (the "WAS Program"), through which Boston Advisors receives referrals from Strategic Advisers, Inc. ("SAI"), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. Boston Advisors is independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control Boston Advisors, and SAI has no responsibility or oversight for Boston Advisors' provision of investment management or other advisory services.

As described above, under the WAS Program, SAI acts as a solicitor for Boston Advisors, and Boston Advisors pays referral fees to SAI for each referral received based on Boston Advisors' assets under management attributable to each client referred by SAI or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from SAI to Boston Advisors does not constitute a recommendation or endorsement by SAI of Boston Advisors particular investment management services or strategies. More specifically, Boston Advisors pays the following amounts to SAI for referrals: 20 basis points on assets referred. These referral fees are paid by Boston Advisors and not the client.

To receive referrals from the WAS Program, Boston Advisors must meet certain minimum participation criteria, but Boston Advisors may have been selected for participation in the WAS Program as a result of its other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Boston Advisors may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain client accounts, and Adviser may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Boston Advisors as part of the WAS Program. Under an agreement with SAI, Boston Advisors has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, Boston Advisors has agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when Boston Advisors' fiduciary duties would so require; therefore, Boston Advisors may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit Boston Advisors' duty to select brokers on the basis of best execution.

### *Item 15 – Custody*

Client's assets are maintained with a qualified custodian such as a bank or broker-dealer to hold, maintain control of and be responsible for safeguarding the Client's assets. Custodians are typically selected by the Client although suggestions may be made by Boston Advisors. In most instances, Boston Advisors expects that clients will authorize and direct the custodian selected by Client to invest automatically all cash in a money market fund. The Client will bear its proportionate share of fees and expenses as a shareholder in such money market fund in addition to our investment advisory fees.

Under government regulations, Boston Advisors is deemed to have custody of your assets if you authorize Boston Advisors to instruct your custodian to deduct our advisory fees directly from your account. Also, Boston Advisors is deemed to have custody because employees of Boston Advisors may act as trustee to a trust Client if agreed upon by Boston Advisors and Client. Under such circumstances, Boston Advisors is deemed to have custody of the account although the account assets are not actually maintained Boston Advisors. You will receive account statements directly from your custodian/broker at least quarterly. They will be sent to the email or postal address you provided to the custodian/broker. You should carefully review those statements promptly when you receive them. We also urge you to compare the custodian's quarterly account statements to the statements you receive from us.

#### *Item 16 – Investment Discretion*

While a few long-term Clients have retained Boston Advisors on a non-discretionary basis, at this time Boston Advisors generally accepts new accounts only when it is given full investment discretion (i.e. to make investment decisions for the account without consultation with the Client). Boston Advisors' discretionary authority regarding investments may, however, be subject to certain limitations, e.g. restrictions or prohibitions placed by the Client on transactions in certain types of securities or industries. Any such limitations are to be agreed upon in advance with each Client.

In the case of most Institutional Clients and some Individual Clients, Boston Advisors has discretion in the placing of trades, subject to any reasonable restrictions mutually agreed to by a Client and Boston Advisors, for a Client's account and the selection of brokers to effect such trades.



### *Item 17 – Voting Client Securities*

In most cases, Boston Advisors will not vote proxies. The Client generally retains exclusive voting authority over the securities in the Client's account and Boston Advisors generally has no role in proxy voting. Boston Advisors will assume the responsibility for voting proxies in limited circumstances, such as when requested by the Client, on behalf of Mutual Fund clients and with respect to Clients subject to the Employee Retirement Income Security Act of 1974 ("ERISA").

Boston Advisors has developed a proxy voting policy and procedures in accordance with SEC Rule 206(4)-3 under the Investment Advisers Act of 1940. Boston Advisors has adopted written policies and procedures, reasonably designed to ensure that Boston Advisors votes Client securities in the best interests of the Client. Boston Advisors typically generally votes in accordance with the recommendations of Egan Jones Proxy Services ("Egan Jones"). Boston Advisors generally adheres to the Proxy Voting Principles and Guidelines ("Guidelines") developed by Egan Jones. Boston Advisors has contracted with Proxy Edge ADP to process the actual voting of proxies and maintain a record of such votes. The Guidelines and Boston Advisors' full Proxy Voting Policies and Procedures are available upon request. The financial interest of the Client is the primary consideration in determining how proxies should be voted. In the case of social or political responsibility issues that Boston Advisors does not believe involve financial considerations; Boston Advisors shall abstain from voting or vote against such proposals. If Boston Advisors has agreed to vote proxies for a particular Client and the Client has a proxy-voting policy and instructs Boston Advisors to follow it, Boston Advisors will comply with that policy upon receipt except where unlawful. As a fiduciary to ERISA Clients, Boston Advisors is required to discharge its duties in accordance with the documents governing the plan, including statements of proxy voting policy. Boston Advisors will, on a best efforts basis, comply with each Client's proxy voting policy. Further, where directed by a client, Boston Advisors may vote proxies according to the United States Conference of Catholic Bishops ("USCCB") proxy guidelines.

Proxy voting proposals may raise conflicts between Boston Advisors' and its employees' interests, and the interests of Boston Advisors' Clients. If it is determined that Boston Advisors has a material conflict of interest then Boston Advisors shall vote according to the guidelines established by Egan Jones, or in the alternative, the Client's guidelines, if provided. A Client for which Boston Advisors is responsible for voting proxies may obtain information from Boston Advisors regarding how Boston Advisors voted the Client's proxies by contacting their portfolio manager or the Compliance Department at (617) 348-3100.

### *Item 18 – Financial Information*

The SEC has specified that an adviser is required to submit its audited balance sheet if any of the following conditions are present:

- The adviser requires or solicits prepayment of more than \$1,200.00 in fees per client six months or more in advance.
- The adviser has a financial condition that is likely to impair its ability to meet contractual commitments to Clients.
- The adviser has been the subject of a bankruptcy petition at any time during the past ten years.

These conditions do not apply to Boston Advisors and therefore a balance sheet is not included in this ADV.

#### *Item 19 – Business Continuity Plan*

Boston Advisors has implemented a “Business Continuity Plan” which has been designed to enable it to resume operations and recover Client and firm records in the event of a significant business disruption, such as a natural disaster or terrorist attack. Because Boston Advisors does not maintain Clients funds or securities, a significant business disruption affecting Boston Advisors should not impact a Client’s ability to access their funds and securities directly from the designated custodian. Continuity of business operations is made possible through the existence of remotely positioned backup servers and remote login access by key employees. Boston Advisors conducts annual testing of its Business Continuity Plan.

## *Appendix 1 – Privacy Notice*

At Boston Advisors, one of our most important responsibilities to you is the safekeeping of your nonpublic personal information (“Information”). We limit the collection, use and retention of your Information to what we believe is necessary to service your account, process transactions on your behalf, respond to inquiries from your representatives, and pursuant to legal and regulatory requirements. This notice applies to current, former and potential customers who have provided personal Information to us. This notice does not apply to business or commercial customers.

### **Information Collection**

We may collect Information about you from the following sources:

- Information we receive from you from discussions with you – such as your name, address, Social Security number, birth date, assets, income, and work history.
- Information we receive on applications or forms you complete – such as your custodian account information.
- Information about your transactions – such as account balances held with custodians and your account usage.
- Information we receive from your third party representatives – such as your attorney, trust administrators and accountants.

### **Protection of Your Information**

We maintain physical, electronic and procedural safeguards, such as shredding of documents and securing buildings and electronic safeguards such as password protection. You have a role in helping us by safeguarding your Information from others and by reviewing your statements promptly.

### **Sharing Information with Third Parties**

We may share your Information with third parties as permitted or required by law or as authorized by you. For example, we may share your Information with:

- Third party service providers (for example, custodians and clearinghouses, executing brokers, data processors, software vendors and/or consultants that provide services to us).
- Our regulators, banks and auditors.
- Affiliated parties, such as our Board of Directors and shareholders.
- Third parties to respond to a subpoena, court order or judicial process.
- Third parties to pursue a sale or merger opportunities.

Our service providers and affiliates are obligated to keep Information we share with them confidential and use it only to provide services as specified by Boston Advisors.

### **Disclosure of Information to Legally Empowered Regulatory Entities**

Boston Advisors is subject to registration requirements with the Securities and Exchange Commission and state regulatory authorities for essentially all 50 states. Both federal and state authorities are empowered to perform certain audit functions to ensure Boston Advisors complies with federal, state and local laws governing registered investment advisory firms. In the course of performing such audit functions, these regulatory authorities may request data and information regarding our Clients. We will take all possible steps to ensure this information will be protected and not removed from our premises nor recorded in any form where it might become subject to public disclosure under applicable state and federal laws. We could also be required to provide information about you without your consent, as permitted by law, to respond to a subpoena or court order or in connection with proposed or actual sale, merger or transfer of ownership of our business.

### **How to Contact Us**

If you suspect that someone has gained unauthorized access to your Information through Boston Advisors or believe that your account information is inaccurate, please contact us any time at **800-523-5903**.

## Boston Advisors, LLC

### Guide to Services and Compensation for Accounts Governed by ERISA

Pursuant rule under section 408(b)(2) of ERISA (the “Rule”), Boston Advisors, LLC is required to make certain disclosures to you.

As a covered service provider to your retirement account, we must provide you with a description of the services we provide and the direct and indirect compensation we receive for providing those services. Several of these disclosures have already been made to you and are located in our existing Investment Management Agreement, our Form ADV or both.

Attached please find a document which lists the required disclosures and points you to where you can locate them in the materials already provided to you.

The following is a guide to important information that you should consider in connection with services provided by Boston Advisors, LLC.

Should you have any questions concerning this guide or the information provided to you concerning our services or compensation, please do not hesitate to contact a member of our Compliance Department at 617-348-3131.

Required Information	Location
Description of the services Boston Advisors will provide to Client	Investment Management Agreement §1 of Page 1 and ADV Item 4
A statement concerning the services Boston Advisors will provide as an ERISA Fiduciary/ registered investment advisor	Investment Management Agreement §9 of Page 1 and ADV Item 4
Compensation Boston Advisors will receive (Direct Compensation)	Investment Management Agreement § 5 of Page 1 and ADV Item 5
Compensation Boston Advisors will receive from other parties that are not related to Boston Advisors (Indirect Compensation)	None None
Compensation that will be paid among Boston Advisors and related parties	Investment Management Agreement §5 of Page 1 and ADV Item 5
Compensation Boston Advisors receives if you terminate investment management services	None
The cost to your plan for recordkeeping services	