



## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 26, 2015**

This Disclosure Brochure provides information about the qualifications and business practices of Congress Capital Partners, LLP ("Congress Capital" or the "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (617) 428-7654.

Congress Capital is a Registered Investment Advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Congress Capital to assist you in determining whether to retain the Advisor.

Additional information about Congress Capital and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

The Securities and Exchange Commission (the “SEC”) adopted regulations requiring Amendments to Form ADV in July 2010. These rules required Registered Investment Advisors (Advisors) to develop and distribute to its Clients a narrative format “Plain English” Brochure (“Form ADV 2A” and also referred to as the “Disclosure Brochure”) as its official disclosure document. The rules also require an Advisor to provide a Summary of Material Changes document to its Clients along with an offer to provide a copy of the complete Disclosure Brochure at least annually or if there is a material change. Under the rules, if a Client wishes to receive a copy of the Disclosure Brochure, fulfillment of the request will be at the expense of the Advisor.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (617) 428-7654.

### **Material Changes**

There have been no material changes to this Disclosure Brochure regarding the business practices disclosed herein, which are substantially the same, as represented in this Advisor’s initial Disclosure Brochure, dated December 26, 2013.

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## **Item 4 – Advisory Services**

### **A. Firm Information**

Congress Capital Partners, LLP (“Congress Capital” or the “Advisor”) is a Registered Investment Advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Limited Liability Partnership under the laws of the Commonwealth of Massachusetts. Congress Capital was founded in January 2014, and is primarily owned by Congress Capital, LLC, a Massachusetts Limited Liability Company. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Congress Capital.

### **B. Advisory Services Offered**

Congress Capital offers investment management services primarily to individuals and institutions such as financial intermediaries, other registered investment advisors, broker-dealers and banks. Throughout this Disclosure Brochure, the meaning of “Client” shall refer to such institutions and individuals who enter into an investment management agreement directly with the Advisor. The individuals or beneficial owners of the assets represented or advised by the Advisor’s Institutional Clients shall be referred to as “Investors” and not a Client.

#### *Risk Managed Series TM*

Congress Capital delivers investment advisory services through its Risk Managed Series TM portfolios, which is a core-satellite portfolio construction comprised of low-cost, exchange-traded funds (“ETFs”) designed to provide volatility-adjusted exposure to global markets. The Risk Managed Series model portfolios begin with a strategic forward looking view of globally diversified ETFs and then applies a tactical overlay that adjusts the strategic weights based on quantitative driven market volatility and momentum signals on both a relative and absolute basis.

The Risk Managed Series includes 20 global asset classes, including, among others, domestic and foreign equities, domestic and foreign fixed income, real estate, commodities, leveraged loans and other assets classes. The Risk Managed Series is divided into two investment strategies: Risk Managed Assets (“RMA”), which invests in Core Equity (US Large Cap, US Mid Cap, US Small Cap, Europe, Japan, Asia ex Japan), Satellite Equity (International Small Cap, Emerging Market Equity, US REIT’s, International REIT’s, and MLP’s), and Satellite Fixed Income (Global High Yield, Leveraged Loans, External Emerging Market Debt, and Local Emerging Market Debt) and, Risk Managed Satellites (“RMS”), which invests in only the Satellites portion of the broader RMA strategy. Both RMA and RMS are described in more detail in Item 8 “Methods of Analysis, Investment Strategies and Risk of Loss”.

Congress Capital offers these advisory services in the forms of a separately managed account arrangement, where the Advisor, through its sub-advisory arrangement with Congress Asset Management Company, LLP (“Congress Asset”), will retain portfolio trading responsibilities or, through a portfolio model agreement, where the Advisor, through its sub-advisor will communicate portfolio changes, daily and where the Client will assume trading responsibilities.

Congress Capital provides investment advisory services and portfolio management services and does not provide non advisory services including, custodial or other administrative services. In addition, Congress Capital does not buy or sell securities and does not receive any compensation for securities transactions.

### **C. Client Account Management**

The Advisor will work with its Clients to help achieve an optimized portfolio allocation through deployment of the Risk Managed Series strategies, delivered either as a separately managed account or a model portfolio.

Prior to engaging Congress Capital to provide investment advisory services, each Client is required to enter into an investment management agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client.

### **D. Wrap Fee Programs**

Congress Capital offers its service as an adviser to sponsors of Wrap Fee programs ("Wrap Programs") pursuant to a sub-advisory agreement. However, Congress Capital does not sponsor Wrap Programs.

### **E. Assets Under Management**

As of February 28, 2015, Congress Capital manages the following assets:

<b>Assets Under Management</b>	<b>Assets</b>
Discretionary Assets	\$95,641,120
Non-Discretionary Assets	\$ 257,604
Total	\$95,898,724

### **Item 5 – Fees and Compensation**

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an investment management agreement that details the responsibilities of Congress Capital and the Client.

#### **A. Fees for Advisory Services**

Investment Advisory Fees range from 0.25% to 1.15% annually depending on the type, size and complexity of the Client relationship. Relationships with smaller accounts, multiple objectives, specific reporting requirements, portfolio restrictions, and other complexities may be charged a higher fee.

Investment Advisory Fees are charged quarterly. Generally, fees are charged in arrears based on the terms of the Investment Advisory Agreement. Investment Advisory Fees in the first quarter of service are prorated from the inception date of the account to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. All securities held in accounts managed by Congress Capital will be independently valued by the designated Custodian. Congress Capital will not have the authority or responsibility to value portfolio securities.

#### **B. Fee Billing**

Investment Advisor Fees will be automatically deducted from the Client account[s] by the Client's Custodian. Clients provide written authorization permitting Congress Capital to be paid directly from their account[s] held by their Custodian as part of the investment Advisory Agreement and separate account forms provided by the Custodian.

The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Congress Capital at the end of each calendar quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Congress Capital, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. In addition, Clients who are financial advisors may also charge their clients (who are Investors) an advisory fee. The Investment Advisory Fee charged by Congress Capital is separate and distinct from these fees.

In addition, all fees paid to Congress Capital for investment management services are separate and distinct from the expenses charged by ETFs to their shareholders, if applicable. These fees and expenses are described in each ETF's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, and administration (e.g., custody, brokerage and shareholder reporting). A Client could invest in these products directly, without the services of Congress Capital, but would not receive the services provided by Congress Capital, which are designed, among other things, to construct an appropriate portfolio allocation and perform ongoing investment management. Accordingly, the Client should review both the fees charged by the ETFs, fees paid to your financial professional, and the fees charged by Congress Capital to fully understand the total fees to be paid.

### **D. Advance Payment of Fees and Termination**

Clients may request to terminate their Investment Advisory Agreement with Congress Capital, in whole or in part, by providing advance written notice. Upon termination, the Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. For Client's whose fees are charged in advance, any unearned, prepaid fees will be refunded promptly following the end of the next billing cycle. The Client's Investment Advisory Agreement with the Advisor is non-transferable without the Client's written approval.

### **E. Compensation for Sales of Securities**

Congress Capital does not buy or sell securities and does not receive any compensation for securities transactions.

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

Congress Capital does not charge performance-based fees for its investment advisory services. The fees charged by Congress Capital are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

## **Item 7 – Types of Clients**

Congress Capital offers investment management services primarily to individuals and institutions such as financial intermediaries, other registered investment advisors, broker-dealers and banks. Throughout this Disclosure Brochure, the meaning of “Client” shall refer to such institutions and individuals who enter into an Investment Management Agreement directly with the Advisor. The individuals or beneficial owners of the assets represented or advised by the Advisor’s Institutional Clients shall be referred to as “Investors” and not a Client.

The relative percentage of each type of Client is disclosed on Congress Capital’s Form ADV Part 1. These percentages will change over time.

Congress Capital requires a minimum initial investment of \$100,000 for separately managed accounts and \$25,000 for participating in a unified managed account. These account minimums may be waived by the Advisor.

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

### **A. Methods of Analysis**

#### *General*

Congress Capital employs a proprietary research model for the implementation and management of the Congress Capital Risk Managed Series TM. The three core elements of the model consist of: 1) establishment of a medium to long-term risk optimized global portfolio (“Strategic Allocation”) of low cost and transparent EFTs representing a spectrum of global asset classes, grouped into three major asset class groupings or “buckets” ( i.e. Core Equity, Satellite Equity, or Satellite Fixed Income); 2) tactically underweighting or overweighting each bucket, using relative dynamic and volatility-adjusted momentum signals (“Tactical Allocation”) provided by Newfound Research, a financial markets research firm founded in 2008 and focused on rule-based, outcome-oriented investment strategies and specializing in tactical asset and risk management and lastly; 3) to move to cash (short-term treasuries) when absolute dynamic, volatility-adjusted momentum signals, provided by Newfound Research, determine that a majority of the Tactical Allocation is too risky to hold. At such time the strategy will begin to build a cash position. Cash positions can range from 0% to 100%.

#### *Portfolio Construction - Risk Managed Assets Strategy (“RMA”)*

RMA invests in ETFs representing: Core Equity (US Large Cap, US Mid Cap, US Small Cap, Europe, Japan, Asia ex Japan), Satellite Equity (International Small Cap, Emerging Market Equity, US REIT’s, International REIT’s, and MLP’s), and Satellite Fixed Income (Global High Yield, Leveraged Loans, External Emerging Market Debt, and Local Emerging Market Debt).

The Advisor will authorize a rebalancing of the RMA model portfolio when one or more of the following conditions exist: First, if the relative momentum signals suggest a Tactical Allocation change greater than 20% from the RMA model’s current allocation, then a re-allocation is triggered. Secondly, if absolute momentum signals suggest an increase or decrease in cash exposure by 10% or more the RMA model will be re-allocated. Thirdly, if 90 days pass without a change to the RMA model, a mandatory re-balance to the most recent Tactical Allocation is triggered.

This strategy does not use derivatives, leverage, or short-selling.

### *Portfolio Construction - Risk Managed Assets Satellites ("RMS")*

RMS invests in ETFs representing non-traditional global markets. This strategy invests in Satellite Equity (International Small Cap, Emerging Market Equity, US REIT's, International REIT's, and MLP's) and Satellite Fixed Income (Global High Yield, Leveraged Loans, Emerging Market Sovereign Debt, and Emerging Market Local Debt).

The Advisor will authorize a rebalancing of the RMS model portfolio when one or more of the following conditions exist: First, if the relative momentum signals suggest a Tactical Allocation change greater than 20% from the RMS model's current allocation, then a re-allocation is triggered. Secondly, if absolute momentum signals suggest an increase or decrease in cash exposure by 10% or more, the RMS model will be re-allocated. Thirdly, if 90 days pass without a change to the RMS model, a mandatory re-balance to the most recent Tactical Allocation is triggered..

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Congress Capital will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. The risks all investors face include the following:

**Market Risk:** All securities investments are subject to changes in the market place. At times, movements in the market can be significant, which will cause the value of an investor's account to change. For example, in 2008 the markets experienced significant broad-based decreases, due in part to a wide spread credit crisis, significantly negatively impacting investors' portfolios.

**Investment Model Allocation Risk:** Congress Capital's Strategic allocation assumptions and market momentum signals which drive tactical allocation and decisions regarding cash balances, may be incorrect and may result in underperformance relative to other investments.

**Credit Risk:** The issuer of a fixed-income security could default on its obligation to pay principal and/or interest or its credit rating could be downgraded, resulting in loss of part or all such fixed income related allocations.

**Interest Rate Risk:** As interest rates rise, the value of fixed-income related allocations is likely to decrease. Underlying fixed income ETFs with longer durations tend to be more sensitive to changes in interest rates, and are usually more volatile than securities with shorter durations.

**Client Imposed Investment Restrictions Risk:** Clients who place restriction on Congress Capital from investing in certain classes of ETFs for social, religious, statutory or other reasons, or, require higher available cash balances, may result in under performance.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

## **Item 9 – Disciplinary Information**

There are no legal, regulatory or disciplinary events involving Congress Capital or any of its employees. Congress Capital and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information contained in Form ADV Part 1, select the option for “Investment Adviser Search”, then selecting “Firm” and enter **170030** in the field labeled “Firm Name or CRD# or SEC#”. This will provide access to Form ADV Parts 1 and 2. Item 11 of the Form ADV Part 1 lists legal and disciplinary disclosure questions.

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

The sole business of Congress Capital is to provide investment advisory services to its Clients.

Congress Capital is under common control with Congress Wealth Management, LLC (CRD No. 149446; SEC No. 801-69988). and Congress Asset Management Company, LLP (CRD No. 105161; SEC No. 801-23386)., each an investment advisor registered with the SEC. Congress Capital has engaged Congress Asset Management Company, LLP for sub-advisory and related operational services. In addition, associated persons of Congress Capital may also be associated with Congress Asset Management Company, LLP and/or Congress Wealth Management LLC.

### *Relationship with Congress Asset Management Company*

Congress Asset serves as sub-advisor to Congress Capital's Risk Managed Series<sup>TM</sup>. Pursuant to a sub-advisory agreement, Congress Asset provides day to-day investment management, trading, investor portfolio accounting and related operational services. For such services Congress Asset receives a portion of Congress Capital's advisory fee.

Certain senior officers and related persons of Congress Capital are also associated with Congress Asset. Brent Ciliano, Chief Investment Officer of Congress Capital, also serves as Senior Vice President of Congress Asset. Paul Lonergan, President of Congress Capital, serves on the Congress Asset Management Committee.

### *Relationship with Congress Wealth Management*

Generally, Congress Wealth Management recommends to its clients Congress Capital as an investment manager for those strategies disclosed in this brochure. Congress Wealth Management clients enter into a separate investment management agreement with Congress Capital (a 'dual contract' arrangement), for which Congress Wealth may retain discretion to increase, decrease or liquidate assets managed by Congress Capital.

Certain senior officers of Congress Capital are also associated with Congress Wealth Management. Paul A. Lonergan, President of Congress Capital also serves as President of Congress Wealth Management. Richard J. Villiotte Serves as Chief Operating Officer for both companies.

The Adviser is sensitive to the perceived and potential conflicts which may arise regarding its relationship with its two affiliated investment advisers. To address these potential conflicts the Adviser and its two affiliated investment advisers have taken the following actions:

- Each affiliate shares the same Chief Compliance Officer who has full transparency into each organization;

- Executive management of each affiliate and the Chief Compliance Officer maintain frequent and open communication which facilitates identification, analysis and remediation of real and perceived conflicts;
- Each affiliate requires its employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- Each affiliate periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- Each affiliate educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

### **A. Code of Ethics**

Congress Capital has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Congress Capital. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Congress Capital and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Congress Capital associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (617) 428-7654.

### **B. Personal Trading with Material Interest**

Congress Capital allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Congress Capital does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Congress Capital does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

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

Congress Capital's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While the Firm does not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Congress Capital may recommend that clients buy or sell securities or investment products in which Congress Capital, its officers and its employees have a financial interest. Conversely, officers and employees may buy and sell for themselves, securities which Clients hold. To safe guard against conflicts with the Advisor's Clients, Those employees, interns and contractors/service providers deemed as "Access Persons" pursuant to the Investment Advisers Act and their immediate family members, are required to pre-

clear all 'covered securities' trades, as defined in the Code of Ethics, for their own securities account. Each pre-clearance request is reviewed by a member of the Investment Oversight Committee to ensure trading by officers and employees for their personal accounts is not prior to or contemporaneous with transactions effected by the Firm on behalf of its Clients.

The Firm's Code of Ethics also requires each employee to disclose each outside business activity they may have and to pre-clear with the Advisor's management and its Chief Compliance Officer each prospective outside business activity.

#### **D. Personal Trading at Same Time as Client**

While Congress Capital allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will Congress Capital, or any associated person of Congress Capital, transact in any security to the detriment of any Client.

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

Pursuant to a sub-advisory agreement with its affiliate, Congress Asset, the sub-advisor has been delegated portfolio securities trading of the investment strategies described in this Brochure. Congress Capital shall oversee such trading pursuant to the terms of the sub-advisory agreement and Congress Asset's related policies and procedures.

#### **A. Selection of Broker Dealers and Custodian[s]**

Generally, Congress Capital does not have discretionary authority to select the broker-dealer for trade execution services and does not have the authority to select the custodian. Only the Client shall select the custodian for the safeguarding their assets. The Client may also direct Congress Capital to direct trades to a particular broker dealer. Such direction will be agreed upon in writing, typically within the investment management agreement.

Congress Capital may recommend one or more custodians to Clients for execution and/or custodial services. Such recommendations may be based on reasonableness of commissions charged to the Client, services made available to the Client and/or Advisor and location of the custodian's offices. Clients are not obligated to use such recommendations and will not incur any extra fee or cost of not accepting such recommendation.

While Congress Capital does not directly receive a benefit (e.g., receive research services, other products, or compensation) as a result of recommending a particular custodian, that may result in the Client paying higher commissions than those obtainable through other custodian's brokers, its sub-advisor may receive such benefits. The Advisor is aware of such conflict and will ensure such brokerage practices the sub – advisor are within the safe harbors of Section 28(e) of the Securities Act of 1934.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** – Congress Capital does not participate in soft dollar programs sponsored or offered by any broker-dealer.

**2. Brokerage Referrals** - Congress Capital does not receive compensation from any third-party in connection with the recommendation to a Client for establishing a particular brokerage account.

**3. Directed Brokerage** – Generally Clients designate a particular broker or dealer through which trades are to be made (“directed trades”). In addition, wrap-fee arrangements generally require all brokerage transactions be directed to the Wrap Sponsor’s broker-dealer. Where a Client directs trades, Congress Capital’s sub-advisor may not be able to negotiate commission rates or spreads, and may not be able to obtain the same execution that it receives for other clients. This means that directed-trade clients may receive worse prices than Clients who delegate such trading responsibility. Additionally, clients who direct trades to a particular broker or dealer often pay higher commissions, greater spreads, or receive less favorable net prices than they would if Congress Capital’s sub-advisor were able to select brokers or dealers.

## **B. Aggregating and Allocating Trades**

Congress Capital will endeavor to ensure that its sub-advisor’s primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results under the current circumstances. Such factors to be considered are: 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker.

Trade orders may be aggregated in a block trade with the same broker-dealer for multiple accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day shall be allocated in a manner that is consistent with the initial pre-allocation or other written statement.

## **Item 13 – Review of Accounts**

### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis. Formal reviews are conducted at least semi-annually, or more frequently depending on the needs of the Client or as market events warrant.

### **B. Causes for Reviews**

Accounts may be reviewed more frequently than semi-annually as a result of major changes in economic conditions, severe market events, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account. The Client is encouraged to notify Congress Capital if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

Congress Capital sends quarterly performance summary reports to each of its clients. These reports summarize each Client’s portfolio holdings, transactions and performance.

In addition, the Client will receive brokerage statements no less than quarterly from their custodian. These brokerage statements are sent directly from the custodian to the Client.

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

### **A. Compensation Received by Congress Capital**

Congress Capital is a fee-only advisory firm, who, in all circumstances, is compensated solely by its Clients. Congress Capital does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Congress Capital may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Congress Capital may receive referrals of new Clients from a third-party.

### **B. Client Referrals from Solicitors**

Generally, Congress Capital may but does not engage paid Solicitors for Client referrals. However, Congress Capital may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this *Brochure* and a separate disclosure statement that includes the following information:

- The Solicitor's name, Congress Capital's name and the relationship with our firm;
- The fact that the Solicitor is being paid a referral fee by Congress Capital;
- The terms of the fee paid or to be paid by Congress Capital; and
- Whether the fee paid to Congress Capital by the Client will be increased above Congress Capital's normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by Clients referred by Solicitors are not increased.

## **Item 15 – Custody**

Congress Capital does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

## **Item 16 – Investment Discretion**

With regard to separately managed accounts ("SMAs"), Congress Capital generally has discretion over the selection and amount of securities to be bought or sold in without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Congress Capital. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment management agreement containing all applicable limitations to such authority. All discretionary trades made by Congress Capital will be in accordance with each Client's stated investment objectives and goals.

With regard to models or unified managed accounts ("UMAs"), Congress Capital is a provider of model portfolios, generally, the Client, not Congress Capital is responsible for the execution of portfolio trades and therefore has investment discretion of such accounts.

**Item 17 – Voting Client Securities**

Congress Capital does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

**Item 18 – Financial Information**

Neither Congress Capital, nor its management, have any adverse financial situations that would reasonably impair the ability of Congress Capital to meet all obligations to its Clients. Neither Congress Capital, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Congress Capital is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 for services to be performed six months or more in advance.