

Nichols & Pratt Advisers, LLP
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March 31, 2017

This Brochure provides information about the qualifications and business practices of Nichols & Pratt Advisers, LLP. If you have any questions about the contents of this Brochure, please contact the Firm’s Chief Compliance Officer, Kimberly H. Latifi, at (617) 523-6800 or at khlatifi@nichols-pratt.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (hereafter “SEC”) or by any state securities authority.

Nichols & Pratt Advisers, LLP is an investment advisor registered with the SEC; such registration does not imply any level of skill or training.

Additional information about Nichols & Pratt Advisers, LLP is also available on the SEC website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Annual updates to this Brochure must report specific material changes to the Brochure, if any, since the last annual update, as required by the SEC Rules.

Pursuant to SEC Rules, we will provide notification of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is December 31.

Material changes Since the Last Update

Nichols & Pratt Advisers', LLP Brochure dated March 31, 2017 is an annual amendment to the last update to the Brochure dated March 30, 2016.

There have been no material changes to this Brochure since the last update.

Currently, our Brochure may be requested by contacting Frances DiMare at (617) 523-6800 or at fmdimare@nichols-pratt.com.

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Item 4 – Advisory Business

Nichols & Pratt Advisers, LLP (sometimes referred to herein as the “Firm”) was founded in 1994. It was an outgrowth of Nichols & Pratt, LLP, a private trustee office founded in 1977. Nichols & Pratt Advisers, LLP primarily advises trustees of private trusts, IRA owners and individuals. Nichols & Pratt Advisers, LLP is owned by its eight partners: James R. Nichols, Harold I. Pratt, Leonard Patenaude, Thomas E. Bator, Richard K. Nichols, Patricia D. Popov, John K. Herbert III, and Kimberly H. Latifi, none of whom individually own 25% or more of the Firm.

Nichols & Pratt Advisers, LLP provides investment advisory services and manages the assets of clients by buying or recommending the purchase of portfolios of stocks from an approved list restricted to fewer than 75 publicly traded companies, representing largely what we believe to be high-quality, seasoned companies with long stable histories and suitability for fiduciary accounts; as well as a few selected mutual funds and exchange traded funds and debt securities which are typically either U.S. Government Obligations, U.S. Government Agencies, or Municipal and Corporate Debt Securities generally rated AA or higher at the time of investment by Moody’s Investors Service, Inc. or S&P Global Rating Services. Many of our clients have the primary aim of capital preservation with moderate income realization, and a secondary aim of superior growth of capital and income. As of December 31, 2016, Nichols & Pratt Advisers, LLP managed \$1,323,874,753 on a discretionary basis and \$305,400,269 on a non-discretionary basis for our clients.

Advisory services are tailored to the individual needs of our clients. In consultation with each client, the desired allocation between stocks and bonds for the client’s account is determined, balancing the goals of current income with capital preservation and appreciation, and gauging the tolerance of the account to sustain volatility. Clients may impose restrictions on investments in certain securities or types of securities.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Nichols & Pratt Advisers, LLP is established in a client’s written agreement with us where there is a written contract. In the one instance where there is no contract (which is the case between the trustees of Nichols & Pratt, LLP and Nichols & Pratt Advisers, LLP), a verbal agreement on fees to be charged exists. We will generally bill our fees in arrears on a semi-annual basis. Clients normally

authorize us to directly debit fees from their accounts. Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable. In cases where clients are invested in mutual fund shares or exchange traded fund shares, and no other fee adjustment has been made, the client pays two management fees, one directly to Nichols & Pratt Advisers, LLP and one indirectly to the adviser of the mutual fund and/or the exchange traded fund with respect to the account's assets invested in the fund along with any other fees and expenses incurred by the fund which are disclosed in the fund's prospectus and shareholder reports. Such fees and expenses are exclusive of and in addition to any fees paid to Nichols & Pratt Advisers, LLP, and we do not bear or receive any portion of those fees and costs.

Our current fee schedule includes customary custodian fees for asset safekeeping and recordkeeping. We calculate a portion of our advisory fee on the fair market value of principal of the account and a portion on income collected in the account as follows:

Market Value of Principal		Annual Rates
First	\$1,000,000	\$7.50 per \$1,000
Next	\$4,000,000	3.50 per \$1,000
Next	\$10,000,000	2.00 per \$1,000
Above	\$15,000,000	1.00 per \$1,000

Income - 6.05% of income received during the period

All fees are subject to negotiation. In negotiating the fee, we consider the value of the assets under management as well as the scope of services required by the client.

Nichols & Pratt Advisers, LLP may impose fees higher or lower than those set forth above for any account based on the particular circumstances, including the type of investment product provided, the complexity and level of services required, mechanics of operation, the types and levels of investment restrictions or policies imposed on the account, whether there is a pre-existing relationship with the client, or other circumstances. We have varied our normal fee schedule over time and existing accounts may bear management fees computed in a manner different from those set forth above.

Nichols & Pratt Advisers, LLP's fees are charged in addition to brokerage commissions, transaction fees, tax information or tax preparation fees, and other related costs and

expenses that are incurred by the client. Clients may incur certain transactional charges imposed by custodians, brokers, third party investment managers and other third parties such as fees charged by outside managers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on securities transactions. Mutual funds and exchange traded funds in which client assets may be invested also charge internal management fees, and other fees and expenses, which are disclosed in a fund's prospectus and shareholder reports, and will generally be incurred by clients in addition to fees imposed by Nichols & Pratt Advisers, LLP. The tax preparation fee is paid to Nichols & Pratt, LLP. As stated in Item 10, the partners of Nichols & Pratt, LLP are also partners of Nichols & Pratt Advisers, LLP. The partners of Nichols & Pratt, LLP in their capacity as trustees are clients of Nichols & Pratt Advisers, LLP. The charges, fees and commissions described in this paragraph are exclusive of and in addition to Nichols & Pratt Advisers, LLP's fee, and, other than the tax preparation fee which is paid to Nichols & Pratt, LLP, we do not bear or receive any portion of these charges, fees and commissions.

Item 12 further describes the factors that Nichols & Pratt Advisers, LLP considers in selecting or recommending broker-dealers for client transactions.

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

Nichols & Pratt Advisers, LLP does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) and therefore there are no side-by-side management issues.

Item 7 – Types of Clients

Nichols & Pratt Advisers, LLP provides investment advisory services principally to trustees of revocable and irrevocable trusts, including Nichols & Pratt, LLP, a firm made up of trustees who are also the partners or related persons of Nichols & Pratt Advisers, LLP. We also provide investment advice to individuals, estates and foundations as well as a major law firm and a small trust company.

Although we do not require a minimum dollar value of assets to open or maintain an account, Nichols & Pratt Advisers, LLP will not accept accounts from prospective clients

whose investment orientation differs substantially from our fundamental, relatively low-turnover, long-term investment philosophy.

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

In advising or managing a client's account, the appropriate balance between the goals of current income and long-term capital preservation and appreciation is determined in consultation with the client, taking into account the tolerance of the account to sustain volatility. This normally leads to the determination of an allocation between stocks and bonds for the particular account. Once this is determined, we select securities from an approved list restricted to fewer than 75 publicly traded companies, representing largely what we believe to be high-quality, seasoned companies with long stable histories and suitability for fiduciary accounts, as well as a few selected mutual funds and exchange traded funds and debt securities which are typically either U.S. Government Obligations, U.S. Government Agencies, or Municipal and Corporate Debt Securities generally rated AA or higher at the time of investment by Moody's Investors Service, Inc. or S&P Global Rating Services to meet those goals. In cases where Nichols & Pratt Advisers, LLP is not given discretion, Nichols & Pratt Advisers, LLP makes recommendations to clients and awaits their approval before executing trades.

Investing in any securities, whether equity, bond, exchange traded fund or mutual fund, involves risk of loss of principal that clients should be prepared to bear.

The Firm's bond investments are principally focused on non-callable investment grade bonds, the vast majority of which are rated AA or higher at the time of investment by Moody's Investors Service, Inc. or S&P Global Rating Services, and with the intention of holding them to maturity. We purchase bonds for income and do not trade them for capital gains. Further, the bond maturity dates are laddered in order to reduce the impact of changing interest rates on the client's income in any single year. Except with respect to United States Treasury Inflation Protected securities ("TIPS") used in some portfolios, which limit interest rate risk, the Firm's bond investments are subject to interest rate risk, because the interest rate paid by the bond is fixed until its maturity while rates obtainable in the market may rise. In addition, if the bond must be sold before maturity, the price obtained will depend on current interest rates which if higher than those in effect at the time the bond was purchased will generally result in a lower value of the bond. Although we attempt to minimize credit risk by focusing on higher quality, investment grade bonds,

these investments are subject to the risk of default or the risk that the issuer or guarantor is unable or unwilling to meet its financial obligation.

The taxable bonds in which the Firm invests are principally U.S. Treasury securities, backed directly by the full faith and credit of the United States Government. The tax exempt bonds in which the Firm invests are normally general obligation bonds of issuers located in the state where the client is domiciled and are subject to the risk of default or the risk that the issuer or guarantor is unable or unwilling to meet its financial obligation.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Nichols & Pratt Advisers, LLP or the integrity of Nichols & Pratt Advisers, LLP's management. We are not aware of any legal or disciplinary events that would be material to your evaluation of Nichols & Pratt Advisers, LLP or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

The partners of Nichols & Pratt Advisers, LLP are also the partners of Nichols & Pratt, LLP, a separate partnership that provides trustee and executor services. Nichols & Pratt, LLP is a client of Nichols & Pratt Advisers, LLP. We do not believe there is a conflict of interest between Nichols & Pratt, LLP and Nichols & Pratt Advisers, LLP.

The three partners of Nichols & Pratt Advisers, LLP, Harold I. Pratt, Thomas E. Bator and Patricia D. Popov, practice law as a separate law partnership called Pratt, Bator & Popov, LLP. Nichols & Pratt Advisers, LLP, where appropriate, refers clients to Pratt, Bator & Popov, LLP for certain types of legal matters, particularly estate planning and estate settlement matters. Nichols & Pratt Advisers, LLP does not participate in any fees earned by Pratt, Bator & Popov, LLP or receive any other remuneration for referring clients, although Mr. Pratt, Mr. Bator and Ms. Popov separately share in the revenues of the law firm for their legal services. We do not believe that any conflict of interest exists between the law practice and the investment advisory services provided to clients.

Item 11 – Code of Ethics

Nichols & Pratt Advisers, LLP has adopted a Code of Ethics for all supervised persons of the Firm describing its standard of business conduct, and fiduciary duties to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and business entertainment items, and personal securities trading reporting procedures and related restrictions, among other things. All supervised persons at Nichols & Pratt Advisers, LLP must acknowledge in writing and agree to comply with the terms of the Code of Ethics at least annually.

Subject to complying with the Code of Ethics and applicable laws, partners and employees of Nichols & Pratt Advisers, LLP and its affiliates may trade for their own accounts in securities that are recommended for purchase or sale for the clients of Nichols & Pratt Advisers, LLP. The Code of Ethics, however, prohibits the partners and employees of the Firm from effecting certain transactions, allows them to effect certain exempt transactions and requires them to preclear certain other security transactions (including any investments in initial public offerings or private placements) with our Code of Ethics Officer. In order to monitor compliance with the Code of Ethics, partners and employees are required to report to our Chief Compliance Officer initial and annual holdings and quarterly transactions in reportable securities as defined in the Code of Ethics and our Chief Compliance Officer is responsible for reviewing such reports.

Our Code of Ethics also sets forth general standards of conduct and practices to be followed by all personnel to minimize conflicts of interest, including those restricting gifts to or from brokers, clients and others, restricting service on the boards of other publicly-traded companies, and policies designed to prevent “front running” and related personal trading conflicts. In addition, our Code of Ethics includes provisions designed to prevent and enforce our strict policy against the misuse of material non-public information by all partners and employees.

Nichols & Pratt Advisers, LLP’s clients or prospective clients may request a copy of our Code of Ethics by contacting Frances DiMare at (617) 523-6800 or at fmdimare@nichols-pratt.com.

Item 12 – Brokerage Practices

In selecting brokers for client transactions, Nichols & Pratt Advisers, LLP seeks best execution and in so doing considers a number of factors, including, without limitation: the overall direct net economic result to the client (including commissions, which may not be the lowest available), the financial strength and stability of the broker, the efficiency with which transactions are effected, the ability to stand ready to execute possibly difficult transactions and the value of any brokerage research products, services and advice that may be provided by a particular broker from which our clients may derive value.

The additional products and services that we may obtain from the brokers we select include customary securities reports and analysis, sophisticated computerized reports and analysis covering a broad range of information used in developing investment strategies, such as economic factors and trends, access to analysts, the individual broker's investment knowledge and industry seminars. Nichols & Pratt Advisers, LLP benefits from using client brokerage commissions to obtain these additional products and services. In obtaining these additional products and services, our clients may pay higher brokerage commissions than are otherwise obtainable. Any benefit that we derive from these products and services is shared among all of our clients. We will make a good faith determination that the amount of commission paid is reasonable in relation to the value of the brokerage and research services provided by the brokers used.

All clients have the option of directing trades to the broker of their choice. Otherwise, we select the broker. We inform clients that in directing trades to a broker of their choice they may pay a higher brokerage commission than might otherwise be paid if we had been granted discretion to select the broker and may otherwise not receive best execution. We also advise clients that we may be unable to block or aggregate their trades with those of our other clients, which may result in higher execution costs than those of the blocked trades.

In general, our traders process trade orders in the order they are received (i.e. first-in, first-out) from our portfolio managers, but we reserve the right to periodically aggregate or "block" trade orders. When we aggregate trades for the purpose of buying or selling a particular security in several accounts, all applicable client accounts will participate at the average share price for the block with brokerage commissions and transaction costs shared pro rata based on participation. Where the full amount of the aggregated order is not executed, the partial amount that was executed will be allocated proportionately based on the size of each client's fraction of the unfilled order, subject to rounding to whole share

amounts. Where a large block is being purchased or sold over the course of several days for a small number of participating client accounts, our portfolio managers may direct the execution of small orders in the same security after the block trade has been initiated which may result in a different price. Our Chief Compliance Officer is responsible for oversight and administration of this policy in consultation with our traders.

Item 13 – Review of Accounts

A partner of Nichols & Pratt Advisers, LLP, either alone or jointly with another partner, formally reviews each account semi-annually or more often for investment merit, creditworthiness, suitability and diversification of investments. Informal reviews may also be performed more frequently as required.

Factors that can trigger a special additional review include: (1) a deterioration in the creditworthiness of a security, (2) a significant change in a company's business outlook or the market valuation for that company, (3) bond maturities or call redemptions, (4) new or accumulated cash available for investment or (5) the liquidation of securities to meet client financial needs.

Item 14 – Client Referrals and Other Compensation

Nichols & Pratt Advisers, LLP does not directly or indirectly compensate anyone for client referrals.

Item 15 – Custody

Clients may authorize Nichols & Pratt Advisers, LLP to direct the disposition of the clients' funds or securities. As such, Nichols & Pratt Advisers, LLP is deemed to be "custodian" as such term is defined in the Investment Advisers Act. Neither Nichols & Pratt, LLP nor Nichols & Pratt Advisers, LLP holds client funds or securities. SEI Private Trust Company acts as "qualified custodian" of such funds and securities.

The qualified custodian provides clients with quarterly account statements that list transaction information, all securities held in the account and for each security, its cost,

market value and estimated annual income. For those clients who have requested it, internet access to their account information, including asset and transaction data, has been provided by our qualified custodian.

Clients should receive statements at least quarterly from the broker dealer, bank or other qualified custodian that holds and maintains the clients' investment assets. Nichols & Pratt Advisers, LLP urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to them. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Nichols & Pratt Advisers, LLP often receives from the client at the outset of an advisory relationship discretionary authority to select the identity and amount of securities or other assets to be bought or sold for the account. This authority is usually granted in the investment advisory contract or, in some cases, in a formal written delegation of investment discretion. It is the client's decision whether or not to grant us investment discretion. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account, together with any policies, limitations and restrictions specified by the client for the account. When clients limit our discretion, it is usually in the form of a request to avoid purchasing or selling certain specific securities or types of securities. When so instructed, we institute procedures to comply with these directions.

Nichols & Pratt Advisers, LLP selects securities and determines amounts to be purchased or sold in accordance with any investment policies, limitations or restrictions imposed on us by the advisory client. Our practice is normally to recommend stock securities from an approved list restricted to fewer than 75 publicly traded companies, representing largely what we believe to be high-quality, seasoned companies with long, stable histories and suitability for fiduciary accounts; as well as a few selected mutual funds and exchange traded funds and debt securities which are typically either U.S. Government Obligations, U.S. Government Agencies, or Municipal and Corporate Debt Securities generally rated AA or higher at the time of investment by Moody's Investors Service, Inc. or S&P Global Rating Services.

Item 17 – Voting Client Securities

Usually, the purchase of a share of stock or other equity security brings with it the right to vote on various corporate matters, such as electing directors, authorizing new corporate actions and approving major corporate transactions. Nichols & Pratt Advisers, LLP votes proxies for client securities unless otherwise instructed by the client. In cases where Nichols & Pratt Advisers, LLP votes proxies on behalf of a client, the guiding principle by which we vote on all matters submitted to security holders is the maximization of the ultimate economic value of our clients' holdings. We do not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, the guiding principle set forth above.

It is the general policy of Nichols & Pratt Advisers, LLP to vote on all matters presented to security holders in any proxy, and our policies and procedures have been designed with that in mind. However, we reserve the right to abstain on any particular vote or otherwise withhold a vote on any matter if, in our judgment, the costs associated with voting such proxy outweigh the benefits to clients, or if, in our judgment, the circumstances make such an abstention or withholding otherwise advisable and in the best interests of our clients. When conflicts are identified, we abstain from voting the proxy in question.

For clients who have not retained authority to vote the securities held in their account, Nichols & Pratt Advisers, LLP does not generally accept any subsequent direction on matters presented to shareholders for a vote, regardless of whether such subsequent directions are from the client itself or a third party. We view the delegation of discretionary voting authority as an “all-or-nothing” choice for our clients.

Clients can obtain information on how we voted the securities held in their accounts by contacting their account representative at Nichols & Pratt Advisers, LLP or Frances DiMare at (617) 523-6800 or at fmdimare@nichols-pratt.com. Clients may also obtain a copy of Nichols & Pratt Advisers, LLP's complete Proxy Voting Policy and Procedures upon request.

Item 18 – Financial Information

Nichols & Pratt Advisers, LLP has adequate working capital and is not aware of any financial commitment or condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Nichols & Pratt Advisers, LLP has never been the subject of a bankruptcy proceeding.