

# **Bouvel Investment Partners, LLC**

SEC File Number: 801 – 79817

## **ADV Part 2A, Firm Brochure**

**Dated: February 26, 2017**

Contact: Stephane Bouvel, Chief Compliance Officer  
1220 Valley Forge Road, Suite 43  
Phoenixville, Pennsylvania 19460  
[www.bouvel.com](http://www.bouvel.com)

This Brochure provides information about the qualifications and business practices of Bouvel Investment Partners, LLC (“Bouvel”). If you have any questions about the contents of this Brochure, please contact us at (610) 933-3300 or [Stephane@bouvel.com](mailto:Stephane@bouvel.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Bouvel Investment Partners, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Bouvel Investment Partners, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes to this ADV Part 2A, Firm Brochure since the March 19, 2016 Annual Amendment filing.

**Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding this ADV Part 2A, Firm Brochure.**

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#### **Item 4            Advisory Business**

- A. Bouvel is a limited liability company formed on January 11, 2000 in the State of Delaware. Bouvel became registered as an Investment Adviser Firm in July 2000 under the name of Security Advisor Network, LLC and changes to Bouvel Investment Partners, LLC on November 17, 2008. Bouvel is principally owned by Jean Pierre Bouvel and Stephane Eric Bouvel. Jean Pierre Bouvel is Bouvel's Managing Member.
- B. As discussed below, Bouvel offers to its clients (individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services. Bouvel does not hold itself out as providing financial planning, estate planning or accounting services. However, to the extent specifically requested by a client, Bouvel may provide limited financial planning and consultation services on a stand-alone basis.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage Bouvel to provide discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap fee basis. If a client determines to engage Bouvel on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody).

#### **NON-WRAP FEE BASIS**

If the client determines to engage Bouvel on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). Bouvel provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Bouvel will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Bouvel provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

#### **BOUVEL INVESTMENT PARTNERS WRAP PROGRAM**

Bouvel provides investment management services on a wrap fee basis in accordance with Bouvel's investment management wrap fee program (the "Program"). The services offered under, and the corresponding terms and conditions pertaining to the Program are discussed in the Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants. The services offered under the Program will depend upon each client's particular need. Under the Program, Bouvel is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The terms and conditions for client participation in the Program are set forth in detail in the Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Part 2A Appendix 1 of Form ADV. All prospective Program participants should read both Bouvel's Brochure and the Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

**Please Note: Wrap Program Trading Costs.** Bouvel does not maintain an asset based pricing arrangement with the Wrap Fee Program custodian. In an asset based pricing arrangement, the amount charged for transactions effected for a client's account is a fixed percentage based upon the market value of such client's account. Nor does Bouvel maintain an internal budget as to anticipated transaction costs. Rather, Bouvel's trading activity is dictated by its clients' needs and anticipated market conditions, as opposed to transaction fee costs absorbed by Bouvel.

**Wrap Program-Conflict of Interest.** Participation in a wrap program may cost the client more or less than purchasing such services separately. When managing a client's account on a wrap fee basis, Bouvel shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. The terms and conditions of a wrap program engagement are more fully discussed in Bouvel's Wrap Fee Program Brochure. **Conflict of Interest:** Because wrap program transaction fees and/or commissions are being paid by Bouvel to the account broker-dealer/custodian, Bouvel could have an economic incentive to minimize the number of trades in the client's account. Please refer to the Wrap Fee Program Brochure for more information. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest a wrap fee arrangement may create.**

#### **RETIREMENT PLAN CONSULTING SERVICES**

Bouvel also provides non-discretionary retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds and exchange traded funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, Bouvel shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between Bouvel and the plan sponsor.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

**Although Bouvel does not hold itself out as providing financial planning services, to the extent specifically requested by a client,** Bouvel may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Bouvel to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Bouvel setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Bouvel commencing services. If requested by the client, Bouvel may recommend the services of other professionals for implementation purposes, including Stephane Bouvel in his individual capacity as a registered representative of a broker-dealer and/or a licensed insurance agent. (See disclosure at Item 10 C below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Bouvel. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and

against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Bouvel if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bouvel's previous recommendations and/or services.

## **MISCELLANEOUS**

**Limitations of Consulting/Implementation Services.** Although Bouvel does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, Bouvel may provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Bouvel shall not receive any separate or additional fee for any such consultation services. Neither Bouvel, nor any of its representatives, serves as an attorney or accountant and no portion of Bouvel's services should be construed as legal or accounting services. Accordingly, Bouvel does not prepare estate planning documents or tax returns on behalf of clients. To the extent requested by a client, Bouvel may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including Stephane Bouvel in his separate and individual capacity as a registered representative of Purshe Kaplan Sterling Investments, an SEC-registered and FINRA member broker-dealer, and as a licensed insurance agent as described in Items 5.E. and 10.C. below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Bouvel. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by Bouvel's representative that a client purchase a securities or insurance commission product through Stephane Bouvel in his separate and individual capacity as a registered representative of Purshe Kaplan Sterling Investments and/or as a licensed insurance agent presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through Mr. Bouvel. Clients are reminded that they may purchase securities and insurance products recommended by Bouvel through other, non-affiliated broker-dealers and/or insurance agencies. **Bouvel's Chief Compliance Officer, Stephane Bouvel remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Non-Discretionary Service Limitations.** Clients that determine to engage Bouvel on a non-discretionary investment advisory basis **must be willing to accept** that Bouvel cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Bouvel would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Bouvel will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Bouvel may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Bouvel's advisory fee. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.**

**Trade Error Policy.** Bouvel shall reimburse accounts for losses resulting from Bouvel's trade errors, but shall not credit accounts for such errors resulting in market gain.

**Margin Accounts.** Bouvel does not recommend the use of margin. However, should a client determine to take a margin loan that collateralizes a portion of the assets that Bouvel is managing, Bouvel's investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan.

**Client Obligations.** In performing its services, Bouvel shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the client's responsibility to promptly notify Bouvel if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bouvel's previous recommendations and/or services.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Bouvel) will be profitable or equal any specific performance level(s).

**Fee Differentials / Conflict of Interest:** Bouvel shall receive a Wrap Fee Program fee and/or an annual investment advisory fee based upon a percentage (%) of the market value of the assets placed under management (generally between 0.70% and 2.50%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, account composition, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by Bouvel to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.**

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Bouvel

recommends that a client roll over their retirement plan assets into an account to be managed by Bouvel, such a recommendation creates a conflict of interest if Bouvel will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over plan assets to an IRA managed by Bouvel or to engage Bouvel to monitor and/or manage the account while maintained at the client's employer. Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**Use of Mutual Funds.** While Bouvel may recommend allocating investment assets to mutual funds that are not available directly to the public, Bouvel may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging Bouvel as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Bouvel as an investment adviser, the client or prospective client would not receive the benefit of Bouvel's initial and ongoing investment advisory services.

**Disclosure Statement.** A copy of Bouvel's written disclosure statement as set forth on Form ADV Part 2A, Part 2A Appendix 1, and Part 2B, as applicable, shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

**eMoney Advisor Platform.** Bouvel may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that Bouvel does not manage (the "Excluded Assets"). Bouvel does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Bouvel shall not be responsible for the investment performance of the Excluded Assets. **Rather, the client and/or the client's advisor(s) that maintain management authority for the Excluded Assets, and not Bouvel, shall be exclusively responsible for such investment performance.** The client may choose to engage Bouvel to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Bouvel and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Bouvel. Finally, Bouvel shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Bouvel's assistance or oversight.

- C. Bouvel shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). Bouvel shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Bouvel's services.
- D. There is no significant difference between how Bouvel manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage Bouvel on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.B). The services included in a wrap fee

agreement will depend upon each client's particular need. If the client determines to engage Bouvel on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). **Please Note:** Participation in a wrap program may cost the client more or less than purchasing such services separately. When managing a client's account on a wrap fee basis, Bouvel shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Because wrap program transaction fees and/or commissions are being paid by Bouvel to the account broker-dealer/custodian, Bouvel could have an economic incentive to minimize the number of trades in the client's account. Please refer to the Wrap Fee Program Brochure for more information.

- E. As of December 31, 2016, Bouvel had \$111,414,037 in assets under management on a discretionary basis and \$6,264,650 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **A. INVESTMENT ADVISORY SERVICES**

#### **NON-WRAP-FEE BASIS**

If a client determines to engage Bouvel to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee basis, Bouvel's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Bouvel's management (generally between 0.70% and 2.45%) to be charged quarterly in advance. However, the annual investment advisory fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, account composition, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by Bouvel to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.**

#### **BOUVEL INVESTMENT PARTNERS WRAP PROGRAM**

If a client determines to engage Bouvel to provide investment management services on a negotiable wrap fee basis in accordance with Bouvel's Program, the services offered under, and the corresponding terms and conditions pertaining to the Program are discussed in the Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Under the Program, Bouvel is able to offer participants discretionary and/or non-discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. Bouvel's Wrap Fee Program fee shall be based upon a percentage (%) of the market value and type of assets placed under Bouvel's management (generally between 0.70% and 2.50%) to be charged quarterly in advance. However, the Wrap Fee Program fees shall vary depending upon various objective and



subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, account composition, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by Bouvel to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.**

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

Although Bouvel does not hold itself out as providing financial planning services, to the extent specifically requested by a client, Bouvel may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, estate planning, insurance planning, etc.) on a stand-alone fee basis. Bouvel's planning and consulting fees are negotiable, but generally range from \$250 to \$350 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

#### **RETIREMENT PLAN CONSULTING SERVICES**

Bouvel may provide non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. Bouvel typically charges a negotiable consulting fee of up to 1.00% of the plan's assets.

- B. Clients may elect to have Bouvel's advisory fees deducted from their custodial account. Both Bouvel's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Bouvel's investment advisory fee and to directly remit that management fee to Bouvel in compliance with regulatory procedures. In the limited event that Bouvel bills the client directly, payment is due upon receipt of Bouvel's invoice. Bouvel shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. Bouvel shall recommend a custodian/broker-dealer to serve as the custodian for client investment management assets. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Bouvel's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Bouvel's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Investment Advisory Agreement between Bouvel and the client will continue in effect until terminated by either party by written notice in accordance with the terms of

the Investment Advisory Agreement. Upon termination, Bouvel shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. **Commission Transactions.** In the event that the client desires, the client can engage Stephane Bouvel, in his individual capacity as a registered representative of Purshe Kaplan Sterling Investments (“PKS”), an SEC-registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through PKS, PKS will charge brokerage commissions to effect securities transactions. PKS shall pay a portion of such commissions to Mr. Bouvel. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, PKS, Jean Pierre Bouvel and/or Stephane Bouvel, as applicable, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. Bouvel and PKS are not affiliated companies. PKS is not involved in or a party to the investment advisory services that Bouvel provides.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from PKS presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products Stephane Bouvel. **Bouvel’s Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by Bouvel through other, non-affiliated broker dealers or agents.
3. Bouvel does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Bouvel recommends to its clients.
4. When Bouvel’s representatives sell an investment product on a commission basis, Bouvel does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Bouvel’s representatives do not also receive commission compensation for such advisory services. **However**, a client may engage Bouvel to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Bouvel’s representatives on a separate commission basis

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

Neither Bouvel nor any supervised person of Bouvel accepts performance-based fees.

## Item 7           Types of Clients

Bouvel's clients generally include individuals, high net worth individuals and pension and profit sharing plans investment advisory services. Bouvel generally imposes an account minimum of \$50,000 for investment advisory services. Bouvel, in its sole discretion, may reduce or waive its account minimum requirements and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. Bouvel may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Bouvel may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients must be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Bouvel) will be profitable or equal any specific performance level(s).

- B. Bouvel's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Bouvel must have access to current/new market information. Bouvel has no control over the dissemination rate of market information; therefore, unbeknownst to Bouvel, certain analyses may be compiled with outdated market information, severely limiting the value of Bouvel's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Bouvel's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In limited cases when consistent with a client's investment objectives, Bouvel may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof prior to maturity may be limited. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions regarding the purchase of structured notes.**

- C. Currently, Bouvel primarily allocates client investment assets among various individual equity, grantor trusts (which are not registered under the Investment Company Act of 1940), mutual funds (including no-load funds and load waived funds) and/or exchange traded funds, on a discretionary and/or non-discretionary basis in accordance with the client's designated investment objective(s).

#### **Managed Account Strategies**

Bouvel may also allocate clients' investment assets among or more of the following managed account asset allocation strategies, which will all be monitored and periodically adjusted to suit market conditions based on internal research. Investments in any of the following managed account asset allocation strategies are not guaranteed and are subject to risk, which could result in a complete loss of principal:

**Focused Opportunities** – Objective: Pursues growth opportunities in a focused portfolio of approximately 20--30 individual equities. Investments will be selected based primarily on their potential for future growth, and may be of any market capitalization size. Such potential may come in the form of new product innovations, changes in management strategy, or participation in growing secular economic trends, as well as other catalysts for future growth. This catalyst process is informed by fundamental analysis, and technical analysis where appropriate. This portfolio may be most suitable to investors who are looking for their investments to be managed for Growth / Capital Appreciation, and would like to own a focused selection of individual equities.

**Focused Foundations** – Objective: Pursues growth, through the selection of approximately 20-30 individual Large-Cap equity holdings. These Large-Cap equities will be selected based primarily on their potential for future growth, as well as the stability and strength of their current business operations. This process will be informed by fundamental analysis, as well as technical analysis where appropriate. The companies selected will typically be household names, with established brands across a multi-national marketplace. This portfolio may be most suitable to investors who are looking for long-term growth, investing in a selection of larger, more established individual equities.

**Dynamic Perspectives** – Objective: Seeks to provide participation in the capital markets by taking a balanced approach, aiming to provide long term growth and less short-term volatility. Investments are made across equity, bond, foreign and other markets. All

investments are made through diversified instruments, such as exchange-traded funds or mutual funds. Investments selected will be chosen based on the macro-economic climate, the global investment climate and the ability of the investments to represent their asset-class. This portfolio may be most suitable to investors who are looking for investment balance, diversification and management oversight.

Global Capital Growth – Objective: Pursues growth opportunities wherever they may be, by utilizing a “go anywhere” approach, selecting investments of any size, and from any country. Management will hold positions in either mutual funds or exchange traded funds, selected on the basis of positive growth momentum, among other factors. Such momentum may come in the form of participation in favored economic trends, country-specific growth, or other factors. This portfolio may be most suitable to investors who are looking for their investments to be managed in an opportunistic manner, who have a higher tolerance for risk and volatility. The portfolio may experience higher turnover, as changes in momentum will typically drive changes in portfolio holdings.

Dynamic Income – Objective: Seeks to provide income and exhibit lower levels of volatility, through a portfolio consisting mainly of fixed income investments. Investments are made primarily in fixed income, although it may also hold cash and invest across other asset-classes when appropriate. All investments are made through diversified investments such as exchange-traded funds or mutual funds. Investments selected will be based primarily on the macroeconomic climate, as well as the interest rate climate and overall fixed income market place. This portfolio may be most suitable to investors who are concerned with generating income, as well as reducing portfolio volatility compared to other investment types. Investments in the Dynamic Income strategy are not guaranteed and are subject to risk. As a result, investors may lose principal invested.

Diversified Capital Markets – Objective: Seeks to provide broad market equity exposure, through the selection of approximately 3 – 6 diversified instruments, such as exchange-traded funds or mutual funds. Investments selected will be chosen based on the global investment climate and the ability of the investments to represent their respective equity markets. This portfolio may be most suitable to investors who are looking to invest in the broad equity markets, with the diversification of a multi-fund approach. As this is essentially an equity –based strategy, clients should realize a similar risk and volatility profile as with the equity markets.

Custom Large Position Strategy – This strategy is reserved for clients holding large concentrated single-stock positions. Objective: Seeks to help manage and mitigate downside risk associated with such large, non-diversified single stock positions, through a custom designed program of stop-loss, or other trade type or strategy. The particular strategy will be developed through consultation with the client to understand risk levels and adjust stop-loss triggers accordingly. Once guidelines are established, Bouvel will continue to monitor and adjust the strategy to conform to specified objectives. Clients should realize that any trading strategy holds risk, and that volatility could impact trading performance and results.

Other account strategies may be developed from time to time. Bouvel will also manage client assets outside these strategies to the extent clients direct Bouvel to do so.

Bouvel's managed account asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Bouvel's managed account asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Bouvel's management of client assets:

1. Initial Interview – at the opening of the account, Bouvel, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly Bouvel shall notify the client to advise Bouvel whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, Bouvel shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – Bouvel shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Bouvel not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Bouvel believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Bouvel's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Bouvel's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses).

**Please Note:** Bouvel's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

## **Item 9            Disciplinary Information**

Bouvel has not been the subject of any disciplinary actions.

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

- A. **Registered Representative of PKS.** As disclosed above in Item 5.E, Stephane Bouvel is a registered representative of PKS, an SEC-registered and FINRA member broker-dealer. However, Bouvel and PKS are not affiliated companies. PKS is not involved in or a party to the investment advisory services that Bouvel provides.
- B. Neither Bouvel, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Broker Dealer.** As disclosed above in Item 5.E., Stephane Bouvel is a registered representative of PKS. Clients can therefore choose to engage Mr. Bouvel in his separate and individual capacity to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agent.** Stephane Bouvel is also a licensed insurance agent and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can choose to engage Mr. Bouvel in this separate and individual capacity to purchase insurance products on a commission basis.

**Conflicts of Interest:** The recommendation by any of Bouvel's representatives that a client purchase a securities or insurance commission product through Stephane Bouvel presents **conflicts of interest**, as the receipt of commissions may provide an incentive to recommend securities or insurance commission products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any such commission products from Stephane Bouvel. Clients are reminded that they may purchase securities and/or insurance products recommended by Bouvel through other, non-affiliated registered representatives of a broker-dealer and/or insurance agents. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. Bouvel does not recommend or select other investment advisors for its clients for which it receives a fee.

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

- A. Bouvel maintains an investment policy relative to personal securities transactions. This investment policy is part of Bouvel's overall Code of Ethics, which serves to establish a standard of business conduct for all of Bouvel's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Bouvel maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Bouvel or any person associated with Bouvel.

- B. Neither Bouvel nor any related person of Bouvel recommends, buys, or sells for client accounts, securities in which Bouvel or any related person of Bouvel has a material financial interest.

- C. Bouvel and/or representatives of Bouvel may buy or sell securities that are also recommended to clients. This practice may create a situation where Bouvel and/or representatives of Bouvel are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Bouvel did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Bouvel’s clients) and other potentially abusive practices.

Bouvel has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Bouvel’s “Access Persons.” Bouvel’s securities transaction policy requires that Access Person of Bouvel must provide the Chief Compliance Officer or a designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or a designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Bouvel selects; provided, however that at any time that Bouvel has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Bouvel and/or representatives of Bouvel may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Bouvel and/or representatives of Bouvel are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Bouvel has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Bouvel’s Access Persons.

## **Item 12      Brokerage Practices**

- A. Bouvel shall recommend a custodian/broker-dealer to serve as the custodian for client investment management assets. Prior to engaging Bouvel to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Bouvel setting forth the terms and conditions under which Bouvel shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Bouvel considers in recommending custodian/broker-dealer (or any other broker-dealer/custodian to clients) include historical relationship with Bouvel, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Bouvel’s clients shall comply with Bouvel’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Bouvel determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Bouvel will



seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Bouvel's investment management fee. Bouvel's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Soft Dollar Arrangement.

In return for effecting securities transactions through a designated broker-dealer/custodian, Bouvel may receive certain investment research products or services which assist Bouvel in its investment decision making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a "soft-dollar" arrangement). Specifically, Bouvel may receive up to \$30,000 from Fidelity Investments ("Fidelity") for the reimbursement of approved research and technology expenses. Bouvel is under no obligation to maintain a certain level of assets with Fidelity in order to remain eligible for Fidelity's expense reimbursement program.

Investment research products or services received by Bouvel may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the commissions paid by Bouvel's clients shall comply with Bouvel's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Bouvel determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Bouvel will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products or services that may be obtained by Bouvel will generally be used to service all of Bouvel's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. With respect to investment research products or services obtained by Bouvel that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Bouvel shall make a reasonable allocation of the cost of the product or service according to its use - the percentage of the product or service that provides assistance to Bouvel's investment decision-making process will be paid for with soft dollars while that portion which provides administrative or other non-research assistance will be paid for by Bouvel with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Bouvel's investment management fee.

**Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

Non-Soft Dollar Research and Additional Benefits. Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Bouvel may receive from a broker-dealer/custodian (or investment platform, unaffiliated vendor, unaffiliated investment manager, and/or mutual fund sponsor), without cost (and/or at a discount) support services and/or products, certain of which assist Bouvel to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Bouvel may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Bouvel in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Bouvel in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Bouvel to manage and further develop its business enterprise.

Bouvel's clients do not pay more for investment transactions effected and/or assets maintained at any broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Bouvel to a broker-dealer/custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. Bouvel does not receive referrals from broker-dealers.
3. Directed Brokerage. Bouvel does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements the client will negotiate terms and arrangements for their account with that broker-dealer, and Bouvel will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Bouvel. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Bouvel to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Bouvel. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed

accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Bouvel provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Bouvel decides to purchase or sell the same securities for several clients at approximately the same time. Bouvel may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Bouvel's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Bouvel shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom Bouvel provides investment advisory services, account reviews are conducted on an ongoing basis by Bouvel's Principals. All investment advisory clients are advised that it remains their responsibility to advise Bouvel of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Bouvel on an annual basis.
- B. Bouvel may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Bouvel may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, Bouvel receives direct economic benefits from Fidelity, and may also receive economic benefits from other broker-dealer/custodians including support services and/or products without cost and/or at a discount. Bouvel's clients do not pay more for investment transactions effected and/or assets maintained at any broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Bouvel to a broker-dealer/custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither Bouvel nor any of its representatives compensates any person other than its supervised persons for client referrals.

## **Item 15 Custody**

Bouvel shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Bouvel may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Bouvel provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Bouvel with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Bouvel's advisory fee calculation.

## **Item 16 Investment Discretion**

The client can determine to engage Bouvel to provide investment advisory services on a discretionary basis. Prior to Bouvel assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Bouvel as the client's attorney and agent in fact, granting Bouvel full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Bouvel on a discretionary basis may, at any time, impose restrictions, **in writing**, on Bouvel's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Bouvel's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. Bouvel does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Bouvel to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. Bouvel does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Bouvel is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Bouvel has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**