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**Firm Brochure  
(Part 2A, Form ADV)**

**July 1, 2019**

**This brochure provides information about the qualifications and business practices of Bartlett & Co. Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (513) 621-4612 or [tsteele@bartlett1898.com](mailto:tsteele@bartlett1898.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 Bartlett & Co. Wealth Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Material Changes to Brochure**

This page will discuss only the material changes made to the Form ADV (“Brochure”) and will provide you with a summary of all material changes that have occurred since the filing of this Brochure with the SEC on March 27, 2019:

On July 1, 2019, the following material changes were made to this Brochure:

- Item 4: Bartlett Wealth Management acquired Lodestar Investment Counsel, LLC in Chicago, IL.
- Item 14: Bartlett’s arrangements with third party firms to compensate these firms for referring clients.

Currently, our Brochure may be requested at any time, without charge, by contacting Thomas Steele at (513) 621-4612 or by email at [tsteele@bartlett1898.com](mailto:tsteele@bartlett1898.com).

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## **Item 4 -Description of Advisory Business**

### **Description of Bartlett**

Bartlett & Co. Wealth Management LLC (“Bartlett” or the “Firm”) is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, Bartlett is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2018, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2018, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. (“KKR”) had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Bartlett is managed by Kelley J. Downing, James B. Hagerty, Thomas A. Steele, Kyle W. Pohlman and Holly H. Mazzocca (“Bartlett Principals”), pursuant to a management agreement between and among BDB 1898, LLC, Bartlett and Focus. The Bartlett Principals serve as officers of Bartlett and are responsible for the management, supervision and oversight of Bartlett. BDB 1898, LLC is wholly owned by its Principals.

Bartlett’s predecessors, including Bartlett & Co, LLC have a long history of providing asset management services to high net worth individuals and families, foundations and endowments, and businesses and institutions. Bartlett’s namesake entity was founded in 1898. Bartlett’s advice is almost always provided on a discretionary basis. In some limited instances, mostly legacy situations, Bartlett furnishes investment advice on a nondiscretionary basis. Bartlett also provides comprehensive financial planning services.

On July 1, 2019, Bartlett acquired Lodestar Investment Counsel, LLC (“Lodestar”), a registered investment advisor based in Chicago, IL. Lodestar provided customized wealth and investment services to primarily high net worth clients. Lodestar’s principals joined Bartlett as directors at closing.

## **Type of Advisory Services**

### **Investment Management Services**

In designing and implementing customized portfolio strategies, Bartlett, as referenced above, generally provides investment management services on a discretionary basis, with nondiscretionary advisory services being provided in some limited instances. Bartlett provides investment management services across a broad range of investment strategies and vehicles. Bartlett primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), and individual debt and equity securities in accordance with clients’ stated investment objectives.

Bartlett may further recommend to clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client’s engagement of the External Manager or will receive a Statement of Investment Selection in a single contract relationship. Bartlett generally renders services to the client relative to the discretionary selection of External Managers. Bartlett also assists in establishing the client’s investment objectives for the assets managed by External Managers, monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, may be exclusive of, and in addition to, the annual advisory fee charged by Bartlett.

### **Financial Planning and Consulting Services**

Bartlett may provide a variety of comprehensive financial planning and consulting services to clients. Such engagements may be part of the investment advisory engagement or pursuant to a separate engagement. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to cash flow analysis, investment planning, retirement planning, estate planning, personal savings, educational savings, and other areas of a client’s financial situation. Bartlett may also provide investment education and customized investment consulting services to clients.

A financial plan developed for or financial consultation rendered to the client will typically include general recommendations for a course of activity or specific actions to be taken by the client. For example, recommendations may be made that the client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Bartlett may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Bartlett recommends its own services, as such a recommendation may increase the advisory fees paid to Bartlett. The client is under no obligation to act upon any of the recommendations made by Bartlett under a financial planning or consulting engagement to engage the services of any such recommended professional, including Bartlett itself.

## Investment Management Services for Qualified Retirement Plans

Bartlett provides discretionary investment management services and non-discretionary investment advisory services to clients that include employee benefit plans covered by the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder (collectively “ERISA”). For ERISA plan clients, Bartlett is typically a “covered service provider” to the plan for purposes of ERISA Section 408(b)(2) regulations. Bartlett provides services to ERISA plans both as a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”) and as a fiduciary under ERISA. In addition to separate accounts for ERISA clients, Bartlett may serve as an ERISA fiduciary to plans whose assets we manage through wrap fee programs or through certain entities whose assets are treated as plan assets under ERISA. This Firm Brochure provides additional information on the services provided by Bartlett to ERISA plans as well as compensation that our firm may receive in connection with managing ERISA plan assets.

As part of providing discretionary or non-discretionary investment services to ERISA plan clients, Bartlett may provide certain information and services to the ERISA plan client and the ERISA plan client sponsor/trustees. These other services are designed to assist the ERISA plan sponsor/trustees in meeting their management and fiduciary obligations to the ERISA plan. The other services may consist of the following:

- Assist with platform provider search and plan set-up;
- Plan review;
- Plan fee and cost review;
- Acting as third party service provider liaison;
- Plan participant education and communication;
- Plan benchmarking;
- Assist with plan conversion to new vendor platform; and
- Assistance in plan merger.

Bartlett is a fiduciary under ERISA with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Bartlett is also a fiduciary under the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, individual retirement accounts and individual retirement account owners (collectively “Retirement Account Clients”). As such, Bartlett is subject to specific duties and obligations under ERISA and the IRC, that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a “PTE”).

## Unaffiliated Broker-Dealer and Investment Adviser Programs

From time to time, Bartlett enters into separate agreements with unaffiliated broker-dealers or other investment advisers (“sponsors”) under “wrap-fee” or platform arrangements offered by these sponsors where the client selects Bartlett from among the investment

advisers presented to the client by the sponsor. The sponsor has primary responsibility for client communications and service, and Bartlett provides investment management services to the clients. The sponsor generally arranges for payment of Bartlett's advisory fees on behalf of the client, monitors and evaluates our performance, executes the client's portfolio transactions and, in certain cases, provides custodial services for the client's assets, all for a single fee paid by the client to the sponsor. Bartlett receives a fee directly from the sponsor. The terms of any fee arrangement are governed by the contract between the sponsor and Bartlett and may differ from the fee schedules shown below. To the extent the single fee also includes transaction costs, clients may pay additional costs if Bartlett executes trades with broker-dealers other than the sponsor of the wrap-fee arrangement or platform. Participation in these arrangements may cost the client more than purchasing such services separately.

### **Client-Tailored Advisory Services**

Bartlett provides portfolio management services designed to meet a variety of client investment objectives. Client portfolios are managed on the basis of individual clients' financial situation and investment objectives. Clients may impose reasonable restrictions on the management of their accounts if Bartlett determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Bartlett's management efforts.

### **Additional Information**

Bartlett has a financial interest in the client's decision to move, add, or allocate assets to accounts for which Bartlett charges a fee for investment management.

Bartlett is a fee-only registered investment advisor and is compensated solely from fees paid directly by clients. Bartlett does not accept commissions. Bartlett does not receive any compensation from fund companies or custodians as a result of trading activities. Please see Item 12 for information regarding certain services and benefits Bartlett receives from Schwab.

As of December 31, 2018, Bartlett has \$3,840,293,714 in discretionary assets under management in 1,172 relationships; and \$102,518,540 in non-discretionary assets in 23 relationships. The total number of relationships is 1,195 and total assets under management of \$3,942,812,254.

## Item 5 - Fees and Compensation

Fees are based on the value of the client's securities that are under management as of the last business day of the preceding quarter. Fees are generally payable on a quarterly basis, in advance (though some legacy clients pay fees in arrears). If services commence on a day other than the first day of a calendar quarter or terminate other than on the last day of the quarter, fees are pro-rated. A client may terminate the investment advisory agreement without penalty within five (5) days after entering into the agreement and at any time thereafter upon ten (10) days written notice. If the investment advisory agreement is terminated during a quarter, a proportionate part of any prepaid fee will be refunded to the client.

The standard fee schedules set forth below, including minimum annual fees, are negotiable. Therefore, fees vary among clients. The factors involved in such negotiation include, but are not limited to: the size of the client's account, the level of servicing required by the client, the client's anticipated levels of transaction activity, other investment account relationships between the client and Bartlett, and Bartlett's practice with respect to discounts. Bartlett does discount or waive fees for employees, family members, or friends of the firm at our sole discretion. Alternative payment arrangements may be negotiated dependent on these same factors. Bartlett reserves the right to waive any minimum annual fees under certain circumstances.

The fee schedules set forth below are current as of the date of this Form ADV. Clients who have established accounts before the date of this Form ADV may be charged fees in accordance with different fee schedules that were in effect at the time their accounts were established.

The investment management fees charged by Bartlett do not include certain charges imposed by custodians, third party investment companies and other third parties. These fees include transaction charges, transfer taxes, exchange fees, interest charges, electronic fund and wire transfer fees, deferred sales charges, odd-lot differentials, or any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with the client.

Mutual funds, money market funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Bartlett does not receive any compensation from these fees. Clients are responsible for these fees, where applicable, in addition to the management fee clients pay to Bartlett. Clients should review all fees charged to fully understand the total amount of fees they will pay. Services similar to those offered by Bartlett may be available elsewhere for more or less than the amounts Bartlett charges. Clients could invest in a mutual fund directly, without Bartlett's services. In that case, the client would not receive the services provided by Bartlett which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to their individual financial condition and objectives.

The fees and expenses of any External Managers used by the client are paid by the client and are agreed upon between the client and the External Manager. These are



separate to the fees agreed upon between Bartlett and the client.

Bartlett's fee schedules for investment management services are as follows:

### **Individual Accounts**

<u>Portfolio Size</u>	<u>Annual Fees</u>
On the first \$1,000,000	1.00%
On the next \$4,000,000	0.75%
Over \$5,000,000	0.50%

We generally require a minimum annual fee of \$5,000 per year, which may result in a client paying a higher annual percentage rate than set forth above for accounts under \$500,000. We reserve the right to change or waive the minimum fee at our sole discretion.

### **Institutional Fixed Income Accounts**

<u>Portfolio Size</u>	<u>Annual Fees</u>
On the first \$10,000,000	0.50%
Over \$10,000,000	0.30%

We seek a minimum account size of \$10,000,000, but will agree to manage smaller accounts at our sole discretion. We require a minimum fee of \$50,000 per year, which may result in a client with a smaller account paying a higher annual percentage rate than set forth above. We reserve the right to change or waive this minimum fee at our sole discretion.

### **Consulting Services**

Bartlett's consulting services are customized to the needs of the client. Bartlett does not maintain a standard fee schedule for this nonstandard service and the terms of each arrangement are negotiated with the client.

### **Financial Planning**

Bartlett's financial planning services have a standard first year fee and an ongoing annual fee. These fees are negotiable and thus fees may vary among clients. The factors involved in negotiating include, but are not limited to, the level of services required by the client, other investment account relationships between the client and Bartlett, and Bartlett's practice with respect to discounts. The first year fee is payable one half (50%) at the execution of the Client Agreement with the remaining half (50%) due upon receipt by the client of the written financial plan unless otherwise negotiated with the client. The subsequent ongoing annual fee is billed quarterly unless otherwise negotiated with the client. Any fees incurred prior to the date of termination will be payable in full. If the agreement is terminated, Bartlett will refund any prepaid fees, prorated from the date of the termination through the end of the quarter for which fees were prepaid.

The current standard fee schedule is as follows:

**Financial Planning – Standard Fee**

<u>First Year Fee</u>	\$3,500
<u>Ongoing Annual Fee</u>	\$1,000

The fee schedules set forth above are current as of the date of this Form ADV. We reserve the right to negotiate the fee at our sole discretion.

**Item 6 - Performance-Based Fees/Side-by-side Management**

Bartlett does not accept any performance-based or side by side fee arrangements.

**Item 7 - Types of Clients**

Bartlett serves a diverse client base including High Net Worth Individuals & Families, Foundations & Endowments, Corporate & Nonprofit Retirement Plans, ERISA, Public Funds and Taft-Hartley Plans. We have minimum fees (generally \$5,000 annually) which also result generally in a minimum opening account size of \$500,000. There are exceptions and there is no minimum maintenance account size requirement.

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

**Methods of Analysis, Investment Strategies**

Bartlett is an active investment manager. Our goal is to maximize each client's return potential for the level of risk undertaken. To that end, we adjust the asset mix to reflect the changing opportunities encountered over a market cycle. We base our approach on the premise that every client is unique and we formulate our recommendations accordingly.

We believe that portfolio diversification is the best way to manage risk, in alignment with the client's objective and risk tolerance. We advocate diversification across uncorrelated asset classes. Subject to our client's custom objectives, we will seek to diversify stocks across economic sectors with emphasis placed in those sectors exhibiting what we believe to be superior return potential, subject to valuation criteria. International exposure will be diversified across geographies and across developed and emerging countries. Being mindful of expense considerations, we will utilize mutual funds and ETFs to meet the small cap and international allocations.

We apply our relative value philosophy of investing to our management of fixed income portfolios. We emphasize an analysis of the relative value of various sectors, individual credits and maturity slices of the yield curve. We do not generally make large interest rate bets by varying the duration of our client portfolios by more than ten percent from the

duration of the client's selected benchmark.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Bartlett's investment recommendations.

### Risk of Loss

All investment programs have risk of loss. Our investment approach keeps the risk of loss in mind. However, it is not possible to identify all risks.

While Bartlett seeks to manage accounts so that the risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses

Additional risks would include, but are not limited to the following:

### Market and Interest Rate Risk

The market prices of the securities in client accounts may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates or currency rates, lack of liquidity in the markets or adverse investor sentiment.

### Inflation Risk

Inflation risk, also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

### Currency Risk

Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

### Reinvestment Risk

The risk that future proceeds will have to be reinvested at a lower potential interest rate.

### Issuer Risk

The value of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, often due to disappointing earnings reports by the issuer, unsuccessful products or services, loss of major

customers, major litigation against the issuer or changes in government regulations affecting the issuer or the competitive environment.

### Business Risk

A company's risk is composed of financial risk, which is linked to debt, and business risk, which is often linked to economic climate. If a company is entirely financed by equity, it would pose almost no financial risk, but, it would be susceptible to business risk or changes in the overall economic climate.

### Liquidity Risk

The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss

### Financial Risk

Financial risk is the additional risk a shareholder bears when a company uses debt in addition to equity financing. Companies that issue more debt instruments would have higher financial risk than companies financed mostly or entirely by equity.

### Foreign Investment Risk (including ADRs)

These investments may involve greater risk than investments in securities of U.S. issuers. Foreign countries in which Bartlett may invest may have markets that are less liquid, less regulated and more volatile than U.S. markets, may suffer from political or economic instability and may experience negative government actions, such as currency controls or seizures of private businesses or property. In some foreign countries, less information is available about issuers and markets because of less rigorous accounting and regulatory standards than in the United States. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. The risks of investing in foreign securities are heightened when investing in issuers in emerging market countries.

### Cybersecurity Risk

The computer systems, networks and devices used by Bartlett and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact

business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

#### External Manager Risk

Any External Manager to a client account will have a risk of loss due to investment strategy and, but not limited to, the other risks listed above as it relates to the External Manager's business and strategies.

### **Item 9 - Disciplinary Information**

Neither Bartlett nor any Bartlett employee has a material disciplinary history or event to report, including but not limited to a criminal or civil action or administrative proceeding before a regulatory body/SRO.

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

In rare instances, either Bartlett or the client may request to work with one or more unaffiliated money managers, an External Manager, on a discretionary basis. The client will be required to enter into a separate agreement with the External Manager that will set forth the terms and conditions of the client's engagement with the External Manager. The only other inclusion of other advisers in a client portfolio is through the use of mutual funds, ETF's or other pooled investment vehicles to provide a specific allocation to a desired asset class or targeted investment strategy that is not provided by our resources. Bartlett does not receive any compensation in any form from these advisers.

Occasionally Bartlett's advisors may serve as the Trustee or Co-trustee for certain accounts, with the CCO's approval. On these rare occasions, there is an independent verification performed in accordance with SEC rules. The CCO monitors such relationships to ensure that Bartlett's advisors maintain their fiduciary responsibility to these accounts as well as their other non-Trustee accounts.

#### Focus Financial Partners, LLC

As noted above in response to Item 4, certain vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because Bartlett is an indirect, wholly-owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of Bartlett. None of Stone Point,

KKR or any of their affiliates participates in the management or investment recommendations of our business.

Bartlett does not believe the Focus Partnership presents a conflict of interest with our clients. Bartlett has no business relationship with other Focus Partners that is material to its advisory business or to its clients.”

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

Bartlett maintains and enforces a written Code of Ethics (“Code”) that includes: (1) standards of business conduct for Bartlett’s members and employees; (2) compliance with applicable federal securities laws; (3) reporting by firm principals and employees, and review by Bartlett, of all applicable personal securities transactions on a periodic basis; (4) provision to, and acknowledgement of acceptance of, by Bartlett’s principals and employees of a copy of the Code and any amendments; and (5) reporting by Bartlett’s principals and employees of any violation of the Code promptly to the Chief Compliance Officer (“CCO”).

Bartlett’s Code provides for periodic securities holdings reports and periodic transactions reports from all access persons that meet the requirements of Rule 204A-1 of the Advisers Act. As a general requirement of the Code, Bartlett employees must have prior approval to effect certain investments in which an employee has or acquires a beneficial interest. Furthermore, the Code prohibits employees from revealing information relating to the investment intentions, activities or portfolios of Bartlett clients, except to persons whose responsibilities require knowledge of the information.

Clients may obtain a copy of Bartlett’s Code of Ethics by contacting us at Bartlett & Co. Wealth Management LLC 600 Vine Street, Suite 2100, Cincinnati, OH 45202, Attention: Compliance Department.

## **Item 12 - Brokerage Practices**

Clients may instruct Bartlett to direct trades to particular brokers or dealers. Our clients have established custodial relationships with more than two dozen firms. If a client does not direct Bartlett to a particular broker dealer/custodian, Bartlett will present the option that the client establish an account with Charles Schwab & Co., Inc. (“Schwab”) and authorize Bartlett to execute trades through Schwab.

In deciding to recommend Schwab, some of the factors that Bartlett considers include:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Access to trading desks;

- Technology that integrates within Bartlett's environment, including interfacing with Bartlett's portfolio management system;
- A dedicated service or back office team and its ability to process requests from Bartlett on behalf of its clients;
- Ability to provide Bartlett with access to client account information through an institutional website; and
- Ability to provide clients with electronic access to account information and investment and research tools.

Bartlett places portfolio transactions through Schwab. In exchange for using the services of Schwab, Bartlett may receive, without cost, computer software and related systems support that allows Bartlett to monitor and service its clients' accounts maintained with Schwab.

Schwab also makes available to Bartlett products and services that benefit Bartlett but may not directly benefit the client or the client's account. These products and services assist us in managing and administering client accounts. They include investment research, both Schwab's own and that of third parties. Bartlett may use this research to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Bartlett. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide Bartlett with other benefits such as occasional business entertainment of Bartlett personnel.

If a client does not direct brokerage or establish a trading/custodial arrangement through Schwab, Bartlett has the authority to direct transactions to broker-dealers that it reasonably believes can provide the best qualitative executions. When selecting a broker or dealer, Bartlett will not necessarily direct transactions to the broker-dealer offering the lowest commissions. Bartlett may also consider the broker-dealer's execution capabilities,

reputation and access to the markets for the securities being traded, as well as other services provided by the broker or dealer including custody.

If a client designates a broker-dealer, Bartlett does not negotiate commission rates with the brokerage firm designated by the client or any registered representative of such brokerage firm. Clients may, however, if they choose, negotiate commission rates with the registered representative or other representative of the firm they designate. Unless a lower rate has been negotiated by the client on their own behalf, the client should expect that the designated brokerage firm will charge commissions based upon the firm's established non- discounted commission schedule. Certain clients of Bartlett negotiate for and receive commission discounts in varying amounts and, therefore, some clients may pay lower commissions than other clients in similar transactions. In directing brokerage transactions, a client should consider whether the commission expenses, execution, clearance, settlement capabilities, and custodian fees, if any, are comparable to those that would result if Bartlett exercised its discretion in selecting the broker-dealer to execute the transactions. Directing brokerage to a particular broker-dealer may involve the following disadvantages to a directed brokerage client:

- Bartlett's ability to negotiate commission rates and other terms on behalf of such clients could be impaired;
- such clients could be denied the benefit of Bartlett's experience in selecting broker-dealers that are able to efficiently execute difficult trades;
- opportunities to obtain lower transaction costs and better prices by aggregating (batching) the client's orders with orders for other clients could be limited; and
- the client could receive less favorable prices on securities transactions because Bartlett may place transaction orders for directed brokerage clients after placing batched transaction orders for other clients.

Bartlett has engaged a sub-adviser, on a non-discretionary basis, which provides model based investment recommendations for a program. The sub-adviser maintains broad authority with respect to the timing of the delivery of recommendations to Bartlett within a particular investment style. The timing of the delivery of model updates is contained within the contract agreement with the sub-adviser. As a result, clients that have directed brokerage arrangements may pay higher commissions or receive less favorable net prices or may experience sequencing delays than would be the case if Bartlett were authorized to choose the broker through which to execute transactions for the client's account.

Client securities transactions will generally be effected independently; however, if Bartlett decides to purchase or sell the same security for several clients at approximately the same time, Bartlett may combine orders for a client with other client orders to obtain best execution or to negotiate a more favorable commission rate. If orders to buy or sell a security for several clients at approximately the same time are executed at different prices or commissions, Bartlett may allocate the transactions to each client at the average execution price and commission.

In order to minimize execution costs and obtain best execution for clients, Bartlett may aggregate orders for its client accounts. When the firm enters an aggregated order, the



allocation of securities among participating clients will be completed prior to the time at which the order is entered. In order to ensure that no client is favored over any other, each client participating in an aggregated order will receive the average share price for the transaction, and each client will share transaction costs on a pro-rata basis based upon the client's level of participation in the order. (Note: A client may pay a different transaction cost if the client has directed the Firm to trade with a particular broker-dealer.)

Each client participating in an aggregated order will receive the amount of securities that were allocated to the client as a part of the preparation of the order, except in the following circumstances:

- (i) If, following the entry of the aggregated order, Bartlett determines that the security may be unsuitable or inappropriate for a client that was intended to participate, Bartlett may reallocate the order amongst the other participating clients in a fair and equitable manner; provided, the reallocation is consistent with the investment strategy being implemented for such clients.
- (ii) If the aggregated order is not completely filled, Bartlett will follow the procedures set forth in the next paragraph.

Generally, in rare cases that an aggregated order is partially filled, the trader confers with the investment advisor(s) to determine what method to use in allocating the shares, taking into consideration the avoidance of multiple commission charges, in an attempt to ensure clients are treated fairly. Among the methods considered are; working down the list, filling the smallest order first, and allocating on a pro-rata basis. A record is maintained on the order as to which method was chosen.

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

All client portfolios are managed by an investment adviser representative of Bartlett. Investment adviser representatives review these portfolios at least annually, based on the needs and desires of the client. In addition, factors that may trigger additional reviews include material market, economic or political events, and known significant changes in a client's financial situation and/or objectives. Clients are reminded that they should notify Bartlett if changes occur to a client's personal financial situation that might adversely affect the client's investment plan. Many portfolios with similar investment objectives and risk profiles are grouped together into trading groups so they can be more efficiently managed. Typically, an investment adviser representative manages less than 125 client relationships, depending on the size and complexity of these client relationships. All portfolios with an appraised value of over \$1,000,000 have an associate investment adviser representative assigned to the relationship to ensure a high level of attention and continuity.

The portfolio review process for investment management accounts is conducted by the Investment Oversight Committee ("IOC"). This committee is comprised of: Laura L. Humphrey, Director, Investment Adviser; Troy R. Snider, Investment Adviser; Brian F. Antenucci, Investment Adviser; and Thomas A. Steele, Vice President/COO & IOC Chair. This committee reviews all portfolios for compliance with investment strategy, client

objectives and firm standards for dispersion from composite returns. This process is performed at least on a quarterly basis, but all composite accounts are analyzed for dispersion monthly.

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

Bartlett has arrangements with certain third party firms where we compensated these firms for referring clients to us. These agreements vary in nature, the terms of which are negotiated between Bartlett and the third party. Any such referral arrangements are disclosed to the clients that are referred to us, and approved by the client in writing. Typically, the referral payments compromise a portion of the ongoing investment management fees paid to Bartlett by the client.

Bartlett periodically will receive fee waivers or discounts for non-research services including, but not limited to, admission to conferences, business consulting services (i.e. management or compliance) and access to certain software services made available by a custodian or vendor as typically extended to other similar clients. Such services are viewed as customary and are not a part of any criteria used in a recommendation of a custodian or broker, thus no conflict of interest is deemed present.

Bartlett's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Bartlett, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Bartlett. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Bartlett. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Bartlett to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Bartlett. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:  
BlackRock, Inc.  
Fidelity Brokerage Services  
Orion Advisor Services, LLC  
Charles Schwab & Co.

## **Item 15 - Custody**

Bartlett has the ability to deduct advisory fees directly from the client's account at the custodian the client has selected. Bartlett provides quarterly statements to clients, and the custodian also sends statements to clients on at least a quarterly basis. Clients should carefully review the custodian statements and compare them to the statements Bartlett sends. Any discrepancies should be brought to the attention of Bartlett's CCO immediately.

For a limited number of clients, Bartlett's adviser representatives may serve as the trustee or co-trustee for such accounts, or an employee may have a durable power of attorney for a client. These scenarios take place with the CCO's approval. On these limited occasions, Bartlett has custody of client assets, as defined by applicable regulations. Bartlett ensures that it abides by any required regulatory requirements applicable to these limited number of client accounts and assets, including an independent verification performed in accordance with regulatory requirements. These clients receive periodic account statements from the custodian(s) of these accounts. It is recommended that clients carefully review these account statements and compare those to any received from Bartlett.

## **Item 16 - Investment Discretion**

Bartlett accepts investment discretionary authority to manage securities accounts on behalf of our clients. Bartlett has the written authority in our investment advisory contract to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Bartlett.

## **Item 17 - Voting Client Securities**

Unless the client directs otherwise, in writing, Bartlett is responsible for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the assets. Bartlett and/or the client shall correspondingly instruct each custodian of the assets to forward to Bartlett copies of all proxies and shareholder communications relating to the client assets.

Absent mitigating circumstances, and/or conflicts of interest (to the extent any such circumstance or conflict is presented, if ever, information pertaining to how Bartlett addressed any such circumstance or conflict shall be maintained by Bartlett), it is Bartlett's general policy to vote proxies consistent with the recommendation of senior management of the issuer.

Bartlett shall monitor corporate actions consistent with Bartlett's fiduciary duty to vote proxies in the best interests of its clients.

Bartlett shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c) (2) under the Advisers Act. Clients may obtain a copy of Bartlett's proxy voting policies and procedures upon written request. In addition, information pertaining to how Bartlett voted on any specific proxy issue is also available upon written request.

## **Item 18 - Financial Information**

Bartlett does not have any financial circumstance that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Bartlett does not require or solicit prepayment of fees of more than \$1,200 per client, six months or more in advance.