

**Form ADV: Uniform Application for Investment Adviser
Registration**

**Part 2A: *Disclosure
Brochure***

Cambridge Advisors, LLC

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This brochure provides information about the qualifications and business practices of Cambridge Advisors, LLC (hereinafter “Cambridge” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (716) 932-7270 or at mm@camadv.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 Cambridge is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Cambridge is 158928. The firm’s registration as an investment adviser does not imply a certain level of skill or training.

Item 2. Summary of Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure. The last annual update of this Brochure was dated March 19, 2018.

- Cambridge Advisors is applying for registration with the SEC.
- Cambridge Advisors has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

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Item 4. Advisory Business

Cambridge is a fee-based investment adviser registered with the state of New York with its business located at 6225 Sheridan Drive, Suite 102, Williamsville, NY 14221. Our firm has been in business since 2011. Scott M. McCarthy, CPA, CFP®, Member and President, is a direct owner and managing member of Cambridge.

As of December 2018, Cambridge has \$41,392,547 in discretionary assets under management and \$5,662,297 in non-discretionary assets under management.

Portfolio Management Services

Cambridge provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, income tax situation, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We will manage advisory accounts on a discretionary or non-discretionary basis, as agreed with each client. Account supervision is guided by the stated objectives of the client which are reflected in their individual Investment Policy Statement (i.e., Aggressive Growth, Capital Growth, Balanced Growth, Conservative Growth, Capital Preservation or various alternative investment options that may be desired, etc.), as well as tax considerations. Clients may impose restrictions on investing in certain securities or types of securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will primarily include advice regarding no-load or load-waived mutual funds, exchange-traded funds (ETFs), exchange-listed and over-the-counter securities, corporate debt securities, United States governmental securities, certificates of deposit, warrants, commercial paper, municipal securities, and private placements. Cambridge does not participate in wrap fee programs.

Model Portfolio Management Services

Cambridge may also manage portfolios for suitable clients through FTJ FundChoice, LLC ("FTJ"). FTJ offers advisory services to Cambridge (but not directly to clients) that consist of access to asset allocation programs and investment reporting services for use in the management of client accounts. Through FTJ, Cambridge may select asset allocation portfolios which diversify client assets among mutual funds. The mutual funds provided consist of no-load fund families and load-waived class A share funds covering all major asset classes.

Each model portfolio employed represents a different asset allocation strategy. FTJ retains third-party non-affiliated investment managers to design and manage model portfolios using mutual funds. In determining the initial allocation to be used, the client will complete a risk tolerance questionnaire which will be used to assist the client and Cambridge in determining the

suitability of FTJ for the client.

Once the client has agreed to an initial asset allocation model, the portfolio will be implemented using the mutual funds available through FTJ. We may suggest a reallocation of the client's portfolio based on changing economic conditions or changes in the client's individual circumstances. Under the FTJ platform, the client will be assumed to have directed that the account be automatically invested in accordance with all adjustments and rebalancing of the asset allocation model unless the client instructs us to terminate such automatic adjustment and rebalancing.

Envestnet/Unified Managed Account Program

Cambridge may recommend the use of the Unified Managed Account (Envestnet/UMAX) Program separate managed account services in order to access certain investment styles or strategies deemed appropriate in light of a client's professed financial objectives. Cambridge may access a variety of separate money managers through TD Ameritrade Institutional (TD Ameritrade) Envestnet/UMAX Program. Through this program, Cambridge Advisors may select one or more specific asset managers to deploy model asset allocations on behalf of its clients through Envestnet Asset Management, Inc., also known as the Overlay Portfolio Manager. The Overlay Portfolio Manager will then coordinate and implement such recommendations in clients' accounts in the form of model portfolios of all types of securities including specific Exchange Traded Funds (ETF's) and mutual funds. TD Ameritrade also allows Cambridge the option of selecting on clients' behalf custom allocations and other features for their account(s) which the Overlay Manager implements based upon Client's consultation with Cambridge.

As the advisor, Cambridge will be responsible for assisting the client in selecting one or more separate investment managers accessible through the Envestnet/UMAX Program to achieve an appropriate asset allocation and implementation of a desired investment strategy, and including the on-going monitoring of the manager(s) performance. TD Ameritrade will act as custodian of the assets being managed. A client choosing to participate in an Envestnet/UMAX Program shall be required to enter into various separate service agreements; one with the advisor, Cambridge, one with the Overlay Manager on behalf of each investment manager, and one with TD Ameritrade to act as custodian.

Alternative Investment Advisory Services

Cambridge may recommend alternative investments that cannot be custodied at TD Ameritrade and therefore must be either directly titled to the client or if IRA assets are being used, such assets are placed with a specialized IRA custodian. Cambridge believes in broad asset class diversification and will evaluate investment opportunities that may add an additional level of diversification to a client's overall investment portfolio. Sometimes, these types of investments involve private placement offerings and clients are apprised of the often associated restrictions on liquidity that may accompany these types of investments.

Financial Planning Services

Cambridge provides its clients with a broad range of comprehensive financial planning and consulting services (including non-investment related matters). Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and distribution plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact, and are impacted by, the entire financial and life situation of the client.

In general, financial planning may address any or all of the following areas:

- Investment Advisory Services
- Retirement Accumulation and Distribution Planning
- Estate/Wealth Transfer Planning
- Income Tax Planning and Compliance
- Risk Management/Asset Protection Planning
- Elder Care/Long-Term Care
- Education Planning

We gather required information through in-depth personal interviews and/or comprehensive questionnaires. Information gathered includes a client's current financial status (i.e. Net-Worth Statement), current and anticipated cash-flows, future goals and attitudes towards risk. We carefully review related documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Implementation of financial plan recommendations is entirely at the client's discretion. If a client wishes, and to the extent possible, Cambridge is available to assist in the implementation of our financial planning recommendations.

Our financial planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company.

If requested by the client, we may recommend the services of other professionals (i.e. attorneys, actuaries, etc.) for implementation purposes. 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 us. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Cambridge if there are ever any changes in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Consulting Services to 401(K) Pension and Profit Sharing Plans

Cambridge may enter into an agreement to provide guidance to the Trustee(s) or Board of Trustees of 401(k), Pension and Profit Share Plans to assist them in managing their fiduciary obligations and other activities as directed by the Trustee or Board of Trustees. In this capacity, we may attend quarterly meetings, may assist in the preparation of the Investment

Policy Statement (IPS), may assist in the selection of investments, monitor client's investments according to the adopted IPS, and participate in employee communications and education programs. The fee charged for services shall be a percentage of the plan's assets under advisement and will be contained in a signed Consultation Agreement with each plan trustee.

Item 5. Fees and Compensation

Portfolio Management Services

Cambridge charges an annual fee based on a percentage of assets being managed in accordance with the following schedule:

Assets Under Management \$\$	Annual Fee %
Up to \$500,000	1.20%
\$500,001 to \$999,999	0.90%
\$1,000,000 to \$1,999,999	0.70%
Over \$2 million	0.50%

Our annual investment management fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. We generally require an account minimum of \$250,000.00 for investment management services, and a \$625.00 minimum quarterly investment management fee.

Depending on the particular arrangement with each client, we will either directly debit their custodial accounts or invoice client directly for portfolio management fees.

In certain circumstances, Cambridge may negotiate an alternative or fixed fee arrangement for portfolio management services at the full discretion of management.

Model Portfolio Management Services

The annual fee for Cambridge's portfolio management services offered through FTJ FundChoice, LLC (FTJ) will be charged as a percentage of assets under management. The FTJ administration fee schedule was changed in July 2010. All accounts that were established prior to July 2010 were grandfathered under FTJ's previous fee schedule and are subject to an annual fee of .30%. The administration fee for accounts opened from July 1, 2010 through November 30, 2015 is as follows:

Individual Accounts:

Asset Based Fee (FTJ Breakpoint Schedule)

From \$	To \$	Fee Schedule %
\$0.00	\$50,000.00	0.45%
\$50,000.01	\$100,000.00	0.35%
\$100,000.01	\$250,000.00	0.20%
\$250,000.01	\$500,000.00	0.175%
Over \$500,000.00		0.15%

The current administration fee for FTJ accounts opened on or after from December 1, 2015 is as follows:

Individual Accounts:

Asset Based Fee (Tiered FTJ Schedule)

From \$	To\$	Fee Schedule (%)
\$0.00	\$50,000.00	0.45%
\$50,000.01	\$100,000.00	0.30%
\$100,000.01	\$500,000.00	0.20%
\$500,000.01	\$1,000,000.00	0.15%
\$1,000,000.01	\$5,000,000.00	0.10%
Over \$5,000,000.00		0.08%

Effective August 1, 2011, FTJ aggregates the average daily balance of all accounts in a household (that are under the FTJ Administrative breakpoint or schedule listed above) and applies that aggregate amount to the FTJ Administrative breakpoint or tiered fee schedule.

In addition to the administration fee, the current account maintenance fee schedule for accounts opened after July 2010 is \$25.00 per account for accounts with Electronic Delivery and \$50.00 per account for accounts with Mailed Statements.

Termination Fee

The current termination fee is \$75.00 per account for full outgoing distributions or non-ACAT transfers.

Strategist Fees (through FTJ)

FTJ provides access to numerous strategist model portfolios that Cambridge may recommend to its clients. The annual fees charged by each strategist model vary from .0% to .10%. In some instances FTJ will retain a portion of some or all of the Strategist Fees.

The fees charged by FTJ and by the selected strategist models are in addition to the annual percentage of assets fee charged by Cambridge which range from 0.10% to 1.10%. In addition, clients will bear directly the fees and expenses charged by mutual funds maintained within the selected strategist model. A description of these fees and expenses are available in each fund's prospectus.

There is no minimum account size required to access this investment platform. Fees will be payable monthly in arrears. If the client's account was not open for the entire month used to compute the fee, the fee will be based upon the number of days that the account was open during such month. The annual account maintenance fee is based on the daily average account balance for the period for which fees are collected, and they are automatically deducted from the client's account as a condition of participation in the FTJ platform.

Unified Managed Account Program Services (Envestnet/UMAX)

Cambridge charges an annual fee as Investment Advisor based on a percentage of assets being managed in accordance with the following schedule:

<u>Assets under Management (\$)</u>	<u>Annual Fee (%)</u>
Up to \$500,000	1.20%
\$500,001 to \$999,999	0.90%
\$1,000,000 to \$1,999,999	0.70%
Over \$2,000,000	0.50%

Our annual investment management fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. We generally require an account minimum of \$250,000.00 for investment management services, and a \$625.00 minimum quarterly investment management fee.

Depending on the particular arrangement with each client, we will either directly debit their custodial accounts or invoice client directly for portfolio management fees.

In addition to the fees charged by the Investment Advisor, each selected Investment Manager shall charge a separate asset based management fee which will vary depending upon the manager selected, plus an additional 10bp-20bp charged by the Overlay Manager depending upon the nature and amount of the client portfolio. Finally, TD Ameritrade shall charge a separate asset based- fee to cover custodian services.

Asset Based Custody Fees:

Asset Amount	Fee
First \$250,000	22 basis points
\$250,001 to \$500,000	12 basis points
\$500,001 to \$2 million	8 basis points
\$2 million +	6 basis points
Annual Minimum Fee	\$200

Clients considering the implementation of an investment strategy utilizing the Envestnet/UMAX Program are strongly encouraged to review any and all related disclosure materials for a full understanding of the total fee charged in light of the services being rendered.

Alternative Investment Advisory Services

Alternative investments recommended by Cambridge are subject to the same asset management fee schedule discussed above (see Portfolio Management Services). Depending upon the nature of the alternative investment, the fee schedule may be applied based upon the total of capital invested instead of market value. When this fee methodology is deemed necessary, it will be clearly disclosed in the Investment Advisory Agreement. When such investments are made with IRA funds, a specialized IRA custodian is either selected by the client or recommended by Cambridge. If recommended by Cambridge, the client is apprised that the specialized IRA custodian charges separate fees and are in addition to the asset management fees charged by

Cambridge. A fee schedule for such IRA custodian fees is provided to the client when the account is opened.

Financial Planning Services

For Financial Planning Services, which will only be provided to clients that meet our account minimums (as referred to in item 5 Portfolio Management), there is no additional charge for these services.

Consulting Services to 401(k), Pension and Profit Sharing Plans

The fee charged for these consulting services shall be based on a percentage of the plan's assets under advisement and will be contained in a signed Consultation Agreement with each plan trustee. For this service, our fees are negotiated with each client on a case-by-case basis.

After engaging our firm to provide consulting services, the client will generally be required to pay the asset based consulting fee at the beginning of each quarter. In the event the client terminates our consulting services, the unearned portion of the fee, if any, shall be refunded to the client.

GENERAL INFORMATION

Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

ERISA & IRA Accounts

Cambridge is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Cambridge may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Cambridge's advisory fees.

Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees

Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Mutual Fund and ETF Fees and Expenses

All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund and/or ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review the fees charged by the funds and ETFs, and the fees described above, including those charged by us, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Brokerage and Custodial Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodial fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

Additional Compensation Received by Us

Scott M. McCarthy, in his individual capacity as an insurance agent will be able to effect life and health insurance-related purchase transactions for Cambridge's advisory clients. He will receive separate and additional commission compensation for these transactions. Clients, however, are not under any obligation to engage Mr. McCarthy when considering the purchase of said insurance products.

Supervised persons associated with Cambridge do not receive compensation from our advisory for the sale of securities or other investment products.

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

We do not charge any fees based on a share of capital gains on, or capital appreciation of, the assets of a client.

Item 7. Types of Clients

Our firm generally provides advisory services to individuals, including high net worth individuals, businesses, pension and profit sharing plans, trusts and estates. Please see Item 5 of this Brochure for information regarding requirements for opening and maintaining an

account based on minimum account size.

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

Our firm employs the following types of analysis to formulate client recommendations:

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equity securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Fundamental Analysis: Fundamental analysis of a business involves analyzing its income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis school of thought maintains that markets may mis-price a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mis-priced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

Cyclical Analysis: Cyclical analysis concentrates on business cycles as well as asset market cycles, examining alternating phases of rises (expansion) and falls (contraction) in volumes, prices and returns. Since cyclical analysis is based on examination of rising and falling trends, investors bear risk of mis-timing, when a specific trend lasts longer or shorter than expected.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the client's account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the

decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy could increase brokerage and other transaction-related costs, as well as result in less favorable tax treatment associated with the generation of short-term capital gains.

Margin transactions: We may purchase securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more securities than you would be able to with your available cash, and allows us to purchase securities without selling other holdings. Margin transactions will only be conducted as directed by the client.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal that clients should be prepared to bear.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

As is disclosed in Item 5 of this Brochure, Cambridge’s President, Scott M. McCarthy, in his individual capacity as a life and health insurance agent, will be able to effect and/or purchase life and health insurance-related products for Cambridge’s advisory clients; for this he will receive separate and additional compensation.

Mr. McCarthy, in his individual capacity as a Certified Public Accountant (CPA), also provides tax compliance and planning services for advisory and non-advisory clients through Cambridge Consulting, Inc. (Consulting) which subleases office space from Cambridge. Mr. McCarthy does not have an ownership interest in Consulting but is employed by Consulting to perform tax compliance and business consulting services through his employment as a Senior Consultant. Consulting charges its clients separate and distinct fees for these non-advisory services, in addition to the advisory fees charged by Cambridge as discussed in Item 5 of this Brochure.

Mr. McCarthy, in his individual capacity serves on the Board of Managers and acts as Chief

Financial Officer of Value Point Associates, LLC (Value Point). A party indirectly related to Mr. McCarthy owns a 20% interest in Value Point. Value Point is a membership employer association that offers its members the opportunity to participate in various benefits offerings such as a 401K plan and group life insurance benefits. Members pay a membership fee to Value Point to enable their employees to gain access to the various sponsored benefit programs. When appropriate, Mr. McCarthy may recommend that advisory and non-advisory clients consider becoming members of Value Point.

Some of these non-advisory activities may present a potential conflict of interest that may impair the objectivity of our firm when making advisory recommendations, to the extent that Cambridge's owner may receive additional compensation as a result of recommending additional accounting, tax, consulting, employee benefits and/or insurance services to clients. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address any potential conflict:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We disclose to clients that they are not obligated to purchase recommended investment products from our employees;
3. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
4. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
5. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
6. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Mr. McCarthy is not presently a registered representative or affiliated with any broker-dealer firm. Neither Cambridge nor its management persons are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

Cambridge may direct clients to third party money managers. Cambridge will be compensated as described in Item 5. Cambridge does not receive more or less compensation dependent upon the third-party manager selected. The relationship with the third-party money manager will be disclosed in each contract between Cambridge and the client. No fees are shared with the Third-party money manager. However, the client might achieve an overall lower fee by contracting with a particular third-party money manager directly. Cambridge will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal and state securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Scott M. McCarthy, President, via email, by phone or by mailing your request to the firm's principal office address.

In accordance with Section 204A of the Investment Advisers Act of 1940, we also maintain and enforce written policies reasonably designed to prevent the misuse of material nonpublic information by Cambridge or any of its associated persons.

From time to time, representatives of Cambridge may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Cambridge to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Cambridge will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Item 12. Brokerage Practices

Portfolio Management Services

We do not have any formal soft-dollar arrangements and do not contract with any broker dealer to receive soft-dollar benefits. However, we may receive research and other services or gain access to industry analysts or conferences in return for paying higher commissions for client trades to a particular broker dealer.

We do not request or accept the discretionary authority to determine the broker dealer to be used for transactions placed in client accounts. It should be understood that, if clients direct us to use a particular broker, we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. We may recommend that clients establish brokerage accounts with TD Ameritrade Institutional (TD Ameritrade), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at TD Ameritrade, it is the client's decision to custody assets with TD Ameritrade. Cambridge is independently owned and operated and not affiliated with TD Ameritrade.

Cambridge has reviewed the services of TD Ameritrade and recommends the services based on a number of factors. These factors include:

- the range of professional services offered to clients and to investment advisers;
- commission rates or trading costs;
- quality of execution services;
- financial stability and reputation; and
- the custodial platform provided to clients.

Based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients. We will, however, periodically attempt to negotiate lower commission rates for its clients with TD Ameritrade.

Cambridge receives benefits from TD Ameritrade that it would not receive if it did not offer investment advice. TD Ameritrade provides our firm with access to its institutional trading and custody services, which are typically not available to TD Ameritrade retail investors. These services are not contingent upon Cambridge committing to TD Ameritrade any specific amount of business (assets in custody or trading commissions).

TD Ameritrade's brokerage services include the execution of securities transactions, custody, research, access to separate managed account services, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Except for certain Cambridge clients participating in the Envestnet/UMAX, TD Ameritrade generally does not charge separately for custody services for assets maintained at TD Ameritrade but is compensated by account holders through commissions, fee sharing from mutual funds and other transaction-related or asset-based fees for securities trades that are executed through TD Ameritrade or that settle into TD Ameritrade accounts.

TD Ameritrade also makes available to Cambridge other products and services that benefit our firm but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of our firm's accounts, including accounts not maintained at TD Ameritrade.

TD Ameritrade's products and services that assist Cambridge in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our firm's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

TD Ameritrade also offers other services intended to help Cambridge manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, capital consultants and insurance providers. TD Ameritrade may make available, arrange and/or pay third-party vendors for the types of services rendered to Cambridge. TD Ameritrade may discount or waive fees it would otherwise charge for

some of these services or pay all or a part of the fees of a third-party providing these services to Cambridge. TD Ameritrade may also provide other benefits such as educational events or occasional business entertainment of our firm's personnel. In evaluating whether to recommend or require that clients custody their assets at TD Ameritrade, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by TD Ameritrade, which may create a potential conflict of interest.

Cambridge, in recommending TD Ameritrade to its clients, neither considers nor receives client referrals from TD Ameritrade or any other third party.

Model Portfolio Management Services

In order to be eligible for FTJ, clients are required to use TD Ameritrade ("Custodian") for trading and custody of their accounts. Therefore, we, through our recommendation of FTJ, are recommending TD Ameritrade as the broker-dealer to be used. The client should carefully review all the terms and conditions of the agreement(s) the client signs with the Custodian.

Unified Managed Account Program Services (Envestnet/UMAX)

Clients participating in such services will be required to maintain their accounts with TD Ameritrade Institutional as broker-dealer and custodian. Clients are under no obligation to participate in any services rendered by TD Ameritrade or any other recommended entity.

Trade Aggregation

Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. Due to this practice, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades. We may (but are not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations, tax considerations, investment restrictions, performance relative to the applicable benchmark, performance relative to other accounts in the same strategy, and desire to avoid "odd lots," (an amount of a security that is less than the normal unit of trading for that particular security).

Item 13. Review of Accounts

Portfolio Management/Asset Allocation Services

Reviews: For those clients to whom Cambridge provides portfolio management services, account reviews are conducted on a periodic basis by the firm's President, Scott M. McCarthy. All investment supervisory and financial planning clients are encouraged to discuss with Cambridge his/her/their/its investment objectives, needs and goals and to keep us informed of any changes regarding same. All clients are encouraged to meet, at least annually, with Cambridge to review (to the extent applicable) financial planning issues, investment objectives and account performance.

Reports: Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom Cambridge provides portfolio management services i.e. TD Ameritrade managed and Envestnet/UMAX accounts) will also receive an annual report from us summarizing account activity and performance. Clients are encouraged to compare the information reported on the annual statement we provide to the information reported on the statements Clients receive directly from the custodian.

Clients participating in the FTJ Program will receive reports no less than quarterly, prepared by FTJ, showing account activity as well as position held in the account and portfolio performance.

Clients who have invested funds in alternative investment private placement strategies where investments are directly titled to the client shall receive performance activity statements directly from the private placement investment manager. Cambridge shall receive the same periodic performance statements to allow for our on-going monitoring of investment performance. Clients who choose to use IRA funds to invest within alternative investment private placement strategies shall receive periodic performance statements from both the private placement investment manager and the specialized IRA custodian selected to maintain proper and qualified IRA custodian title to the asset.

Item 14. Client Referrals and Other Compensation

Cambridge does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Cambridge clients.

Cambridge does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15. Custody

Cambridge is deemed to have custody of client assets because it deducts advisory fees from client accounts and has Standing Letters of Authorization (SLOA's) in place. Other than these client-authorized fee deductions and SLOA's we do not maintain or accept custody of client funds or securities. We urge all of our management clients to carefully review and compare their annual reviews of account holdings and/or performance results received from us to those they receive from their custodian. Should our clients notice any discrepancies, we encourage them to notify us and/or the custodian as soon as possible.

Item 16. Investment Discretion

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment advisory agreement. For separately managed accounts accessed through Envestnet/UMAX discretionary authority includes granting us the authority to remove and replace the manager.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

Item 17. Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do, however, offer consulting assistance regarding proxy issues to clients if such assistance is sought by a client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Cambridge has no additional financial circumstances to report. Cambridge has never been the subject of a bankruptcy petition.