



## **Client Disclosure Brochure for Westport Strategies Advisors Form ADV, Part 2A**

**August 30, 2019**

This brochure provides information about the qualifications and business practices of Westport Strategies Advisors, LLC, (“Westport” or “the Advisor”). If you have any questions about the contents of this brochure, please contact us at 781-848-1212. 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.

The Adviser is registered with the SEC as an investment adviser. The Adviser's registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate the Adviser and should be considered in your decision whether to hire the Adviser or to continue to maintain a relationship.

Additional information about us is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. Our firm's CRD number is 163577.

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## Item 2 Material Changes

In the past we have offered or delivered information about our qualifications and business practices. In the future, we will provide you with one or more of the following:

- An updated annual brochure along with a summary of material changes which will be provided within 120 days of the close of our business fiscal year if there have been interim amendments or material changes during the course of the previous business year. Our business fiscal year end is December 31.
- A summary of material changes within 120 days of the close of our business fiscal year that includes an *offer* to provide a copy of the full annual updated brochure and information on how you may obtain the brochure from us if there has been an interim amendment or material change during the previous business year.
- An interim amendment to the brochure if new information in response to Item 9 of Part 2A regarding disciplinary information is available.
- An interim amendment resulting from any material change that could affect the relationship between you and us.

We will provide, *free of charge*, a new brochure any time at your request, or as may become necessary based on material changes as outlined above.

You may request our brochure by contacting our office at 781-848-1212. You may also receive this and any other disclosure documents via electronic delivery, where allowed, by signing a document which authorizes us to deliver disclosure and other documents electronically.

The material changes reported in this update are as follows:

1. On August 30, 2019, the assets of Westport Strategies Advisors, LLC (“Westport” or “the Advisor”) were acquired by CapAcuity Consulting, LLC (“Cap Consulting”) of Lake Mary, Florida. Cap Consulting is an affiliate of CapAcuity LLC (“CapAcuity”) and is an SEC registered investment advisor. The sole owner of both CapAcuity and Cap Consulting is Peter S. Cahall. Westport and CapAcuity are affiliated through common ownership.

The SEC’s web site also provides information about any persons affiliated with our firm who are registered, or are required to be registered, as investment advisor representatives of Westport Strategies Advisors, LLC.

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## **Item 4 Advisory Business**

The Advisor is an SEC-registered investment advisor with its principal place of business located in Massachusetts. The firm began conducting business in 2012. The sole shareholder of Westport is:

- Cap Consulting, LLC (“Cap Consulting”) of Lake Mary, Florida. Peter S. Cahall is the sole shareholder of Cap Consulting.

As used in this brochure, the words “we,” “our” and “us” refer to the Advisor and the words “you,” “your” and “client” refer to you as either a client or prospective client of our firm.

### **Investment Consulting and Administrative Services**

The Advisor provides ongoing limited discretionary investment consulting services, non-discretionary investment consulting services, consulting services, and administrative services, to various types of non-qualified plans on behalf of institutional clients. In our capacity as a registered investment advisor we offer the following services:

#### **Limited Discretionary Investment Consulting Services**

- Upon receipt of an ongoing authorization, limited power of attorney, or other such document from the client, we will submit buy and sell instructions on our institutional client’s behalf for mutual funds, insurance series funds, or at times designated company stock (all “asset funds”), directly to the client’s directed platform for execution based on pre-defined instructions as outlined in our Limited Discretionary Investment Consulting and Administrative Services Agreement.
- Depending on each institutional client’s individual needs and written instructions contained within the Investment Consulting and Administrative Services Agreement (“Agreement”), we may suggest and execute a rebalancing of funds in order to meet certain requirements as selected by the client contained in their Agreement with us.
- We may prepare asset investment allocation instructions to complete the investment of wire transfer amounts submitted by the client.
- We may provide a summary statement of all rebalance orders as submitted to the appropriate entity (i.e. custodian), as based upon the Client’s written instructions.

In a limited discretionary relationship we can cause the creation of trades and the reallocation of assets to be made based upon our institutional client’s previous instructions contained within the Agreement, or other acceptable authorization, all of which are to be performed in accordance with any applicable funding strategy document.

### **Consulting Services**

The following consulting services are available individually or can be combined based on your requirements. These services may also be provided as part of a non-discretionary or limited discretionary Agreement:

- Asset services with respect to investment consulting services involving the selection and monitoring of investment funds inside COLI, BOLI and other similar products in accordance with the requirements of an SEC registered investment advisor.
- Asset funds monitoring providing performance measurement and evaluation including reporting of performance against corresponding benchmarks, expense ratios, and portfolio allocation returns.

- Provide assistance in creating and maintaining a Funding Strategy (“FS”) for non-qualified plans.
- Investment performance and evaluation including mapping reviews of investment alternatives based on options available within the applicable insurance product for plans informally funded by COLI, BOLI, and mutual funds, if applicable.
- Provide assistance in responding to government audit, government request for information, or legal proceedings involving clients as it pertains to consulting services provided.

Unless consulting services are part of a non-discretionary or limited discretionary Agreement, none of our activities involved in performing strictly consulting services will include the actual process of directing your assets.

When you utilize our firm only for consulting services without any type of discretion, we will not have discretion to implement any recommendations, such as making allocations or performing rebalancing of accounts, creating or executing transactions, or performing any service that may be considered to be investment advisory in nature.

### **Non-Discretionary Investment Consulting Services**

We also can provide any of the services offered as part of our limited discretionary Agreement on a completely non-discretionary basis to non-qualified plans. The non-discretionary Agreement can also be offered in addition to the various consulting services outlined in the preceding section.

In this type of non-discretionary relationship we can provide oversight and supervision of the following:

- a) Suggested rebalancing on behalf of the plan through the carrier or trust.
- b) Suggested allocation of assets or changes to the allocation of any asset class in accordance with the allocation ranges or specific target allocations for each asset class as established by the non-qualified plan’s investment guidelines.

All non-discretionary consulting services involving trading or rebalancing can only be performed with written instructions provided in advance for each specific instance.

### **General Information**

Regardless of the type of Agreement we enter into, we will not begin performing any investment consulting or administrative service on your behalf until we enter into a written Agreement with you.

The Agreement will detail the nature of our relationship, including any discretion granted to us, the fees to be charged, how and when the fees will be paid, and other important terms and conditions of the investment consulting and administrative relationship between us.

We may, at our discretion, employ a third-party SEC registered investment advisor to act as a sub-advisor to us to assist in the performance of any or all of the services outlined in any Agreement we may have with you.

All investments involve some level of risk. Any investments we make on your behalf, whether as part of a non-discretionary or limited discretionary Agreement will only be recommended or implemented when consistent with your funding strategy document, or other such document, and with the proper

authority to do so.

### **Amount of Managed Assets**

As of 08/31/2019, our firm has approximately \$1,879,822,349 of client assets under management on a non-discretionary basis.

As of 08/31/2019 our firm provides consulting services to an additional \$69,060,578 of client assets under advisement. Assets under advisement generally refer to those assets for which we have entered into a consulting arrangement but for which we do not have discretionary or non-discretionary authority over the assets. Consulting assets are not included in ADV Part 1 asset calculations.

As of 08/31/2019, total combined assets including consulting and non-discretionary assets were \$1,948,882,928.

## **Item 5 Fees and Compensation**

Our compensation is exclusively fee based, disclosed, and paid directly or indirectly by the client. Payment of fees, regardless of the format may be made by funds from the client or affiliate, made payable directly to Advisor, or payment may be made indirectly by offsetting the Agreement fee against commissions generated by the underlying insurance products.

Fee structures and payment terms may be negotiable on a client-by-client basis and are determined based on each individual client's situation and the types of services we provide. Fee structures we may utilize can include, but are not limited to the following:

### **Annual Flat Fee Compensation**

We offer an annual flat fee relationship. The flat fee for our services will be charged on a pre-determined fixed fee arrangement negotiated on a case-by-case basis depending upon the scope and complexity of the services provided. Our minimum annual flat fee is \$5,000.

Compensation for services offered under this arrangement are billed on an annual basis in arrears and are paid in arrears at the end of each full 12-month period calculated from the start date of our Agreement with you.

If you are paying a fixed annual fee, your fee will be set in advance and will not be determined according to a percentage of assets under management.

### **Offset of Fees Against Underlying Insurance Product Commissions**

As indicated previously at the start of this section, we may offset our fee for investment management/consulting and administrative services against any commissions generated from underlying insurance products. In the event that the total underlying insurance product commissions received for the full twelve-month period are not equal to the fee set out by the Agreement with you, we will send you a separate invoice for the difference.

Example of annual insurance product commissions not equaling the annual investment management/consulting and administrative services fee is as follows:

Investment Consulting and Administrative Services 12 Month Fee	=	\$5,000
<i>Underlying Insurance Product Commissions</i>	=	\$2,500
<i>Difference Due Advisor Directly by Client at end of 12 Months</i>	=	\$2,500

Example of annual insurance product commissions exceeding the annual investment management/consulting and administrative services fee is as follows:

<i>Investment Consulting and Administrative Services 12 Month Fee</i>	=	\$5,000
<i>Underlying Insurance Product Commissions</i>	=	\$6,000
<i>Amount Due Advisor Directly by Client at end of 12 Months</i>	=	\$0

for the investment management/consulting and administrative services.

If the amount of insurance product commissions received from Client equals or exceeds the amount due from the investment management/consulting or administrative services, the client will not be billed for the investment management/consulting and administrative services separately.

In no event will the client pay more than the total of the underlying insurance product commissions if those commissions equal or exceed the total amount due Advisor from our Agreement for the full twelve-month period beginning on the start date of the Agreement with you.

Since all Agreements are billed for a full twelve-month period in arrears, there is no prorated return of unearned fees. In the event this agreement is terminated for any reason by either of us, the fee shall be pro-rated for any portion of a full year that the Agreement is effective. Any partial month of service will be included as a full month in this pro-ration calculation. This prorated period would include any notice required to be given by you in accordance with your Agreement.

The fee that you are being charged by us for the investment management/consulting and administrative services is exclusive of, and in addition to, brokerage commissions, transaction fees, custodial fees, and any other related costs and expenses. We do not receive any portion of these commissions, fees, other costs and expenses.

All of your assets that we or a sub-advisor may direct on your behalf will be invested in asset funds as described previously in Item 4 of this document in accordance with the terms of your Agreement, or funding strategy document, if applicable. Each of the asset funds may charge an annual internal management fee as outlined in their prospectus. This management fee is deducted directly from the account balance you have invested in that specific investment product. We do not receive any of these fees. These fees represent additional fees that you are paying above that being charged by us.

Accordingly, you should review both the fees charged by the asset funds, if any, and our fees to fully understand the total amount of fees to be paid by you and to thereby evaluate the investment consulting and administrative services provided.

### **Compensation for Sale of Securities**

The Advisor's employees, officers, directors, and agents, collectively referred to as ("supervised persons") may act as both registered representative and registered investment advisor to sponsors of non-qualified plans.

The Advisor, its supervised persons with the appropriate qualifications, and/or its affiliates may separately advise the plan sponsor on strategies for hedging plan liabilities, which may include the purchase of insurance products or asset funds. The Advisor's affiliates or other supervised persons may receive compensation for the purchase of these products. Clients have the option to purchase investment products that supervised persons or affiliates of the Advisor may recommend.

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

We do not charge performance-based fees or engage in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account.

## **Item 7 Types of Clients**

Our firm provides investment management/consulting and administrative services to institutional clients with non-qualified plans.

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

### **Methods of Analysis**

We attempt to match the investment options from a select group of asset funds, available within the insurance plan to those available from the company's 401k plan or an alternative list of funds selected by the company for participants.

In connection with monitoring asset funds held in a client's plan, the Advisor utilizes a variety of third party databases that provide detailed information about asset funds, including performance, fees and expenses, portfolio holdings information, and other statistical analysis. The Advisor may also obtain portfolio information and statistical data directly from the specific asset fund's advisor.

### **Risk of Loss**

Investments in most any type of securities involve the risk of loss. There can be no assurance that a particular plan will meet its investment objectives. The types of risks that you may experience include, but may not be limited to:

- loss of principal risk
- interest rate risk
- market risk
- inflation risk
- currency risk
- liquidity risk
- business risk
- financial risk

Past performance of any security does not guarantee future results.



## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management personnel.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Employees may be qualified as registered representatives or investment advisor representatives. Some individuals act in the capacity of both registered representatives and investment advisor representatives. Additionally, certain individuals may be licensed as insurance agents or brokers for one or more insurance companies.

When acting as an investment advisor representative, individuals associated with the Advisor or its affiliates operate under a strict fiduciary standard. Apart and aside from the Advisor's fee for investment management/consulting and administrative services, when acting in both an investment advisor representative and registered representative capacity, individuals associated with the Advisor are said to be acting in a "dual capacity."

It is expected that certain investment advisory representatives will be dually registered with Westport, CapAcuity and CapAcuity Securities, Inc. It is also expected that CapAcuity and CapAcuity Securities, Inc will provide services to certain of Westport's existing clients.

Clients should be aware that certain broker-dealer and insurance activities pay commissions or other compensation and involve a potential conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment advisor. CapAcuity always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of CapAcuity in such individual's capacity as an independent licensed insurance agent.

Clients should be aware that the receipt of additional compensation itself may create a conflict of interest. The Advisor has adopted certain procedures to mitigate the effect of these conflicts, including the proactive disclosure, on a client-specific basis, of the existence of any dual capacity situations.

Registered representatives associated with the Advisor act in that capacity under the supervision of CapAcuity Securities ("Cap Securities"), an SEC registered broker-dealer and member firm of FINRA located in Lake Mary, Florida.

Certain inherent conflicts of interest arise from the fact that: (i) Advisor provides investment management services to more than one Client; and (ii) Clients may have one or more overlapping or conflicting investment objectives. Should conflicts of interest arise in the context of these overlapping or conflicting investment objectives, they will be addressed in accordance with Advisor's Investment Allocation Policy and in the organizational documents of the Clients, as applicable.

Advisor or its affiliates, may receive fees from other sources such as consulting fees for non-investment related consulting services provided by CapAcuity Consulting, LLC and from investments

in which a client may invest. In addition, such companies may agree to reimburse Advisor or its affiliates for its expenses incurred in evaluating and/or consummating an investment. The existence of fees, if any, could create an incentive to acquire or dispose of assets based on compensation received versus a Client's needs and/or provide additional services to portfolio companies. Advisor may have a conflict of interest to the extent that it has an opportunity to earn a fee from services provided to a Client.

In the future if any additional conflict were to arise with regard to any current or new financial industry activities or affiliations, including the receipt of compensation from those sources we would:

- Disclose in this section to you the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation in addition to our firm's stated investment consulting and administrative services fees.
- Disclose to you that you are not obligated to purchase recommended investment products from our employees or affiliated companies.
- 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.
- Periodically monitor any outside employment activities of our employees to verify that any conflicts of interest continue to be properly addressed by our firm.

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

### **Code of Ethics**

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 securities laws.

We feel that our firm and its employees owe a duty of loyalty, fairness and good faith towards all of our clients, and have an obligation to adhere not only to the specific provisions of our Code of Ethics but to the general principles that guide the Code of Ethics.

The purpose of our Code of Ethics is to reinforce the fiduciary principles that govern the conduct of our firm and the actions of our advisory personnel. Each member of the firm is instructed to act in the best interests of our clients, to avoid any real or potential conflicts of interest, and to conduct their personal activities with the utmost of integrity.

Our Code of Ethics has been distributed to all members of the firm. The following is a summary of the policies contained in our Code of Ethics:

- Standards of business conduct
- Compliance with federal securities law
- Review and/or approval of personal securities transactions of certain persons
- Ability to purchase the same securities recommended to or owned by firm clients subject to approval
- Obligation to report violations and enforcement of sanctions where necessary
- Annual employee certification required

Our Code of Ethics includes policies and procedures for the possible review of proposed transactions, quarterly securities reporting, initial and annual securities holdings reports that must be submitted by the firm's access persons, and restrictions on the acceptance of significant gifts and the reporting of gifts and business entertainment items above a certain limit incurred by our personnel. Our code also provides for oversight, enforcement and recordkeeping provisions. The Code of Ethics is provided to employees at the time of hiring and upon material changes being made to the Code of Ethics. Westport does not recommend that clients buy or sell any security in which a related person to Westport or its affiliates has a material financial interest.

Our Code of Ethics also prohibits the use of material non-public information. We do not believe that we have any particular access to non-public information, however, employees are reminded such information, if received, may not be used in any manner.

You may receive a free copy of our Code of Ethics by calling us at 781-848-1212.

### **Interest in Client Transactions**

Our firm does not participate in principal trades or in agency cross transactions. Principal transactions are those where our firm, acting on behalf of our own account, buys or sells a security to you or another client. An agency cross transaction is one in which our firm acts as a broker for both the buyer and seller of a security.

We do not recommend to you or other clients that you take a position in a security in which our firm, our employees, or our related persons has a material financial interest.

### **Personal Trading**

Our Code of Ethics is designed to assure that the personal securities transactions by our employees, and the activities and interests of our employees will not interfere with:

- Making decisions in your best interests.
- Implementing such decisions while, at the same time, allowing our employees to invest for their own accounts.

The Advisor does not provide investment advice to you on individual securities other than the plan's specific asset funds. As such, our employees are permitted to buy or sell individual securities without prior approval.

Our employees may also purchase, without prior approval, open-end and closed-end mutual funds for whom we are unaffiliated, exchange traded funds for whom we are unaffiliated, direct obligations of the U.S. Government, banker's acceptances, bank certificates of deposit, commercial paper, high quality short term debt instruments, and money market funds.

We have established the following policies and procedures as part of our Code of Ethics to ensure we comply with our regulatory obligations and to provide you, other clients, and other potential clients, with full and fair disclosure of such conflicts or potential conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of your account(s).
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is based on information received because of his or her employment unless the information is available to the investing public.
- We may ban or otherwise require prior approval for any IPO or private placement investments by any employee or related persons of the firm.
- We maintain a list of what we consider to be “Covered” or “Reportable” securities holdings, if any, for our firm, our employees, and anyone associated with our firm that has access to our client’s investment holdings. This person is referred to as an "Access Person."
- Any individual who violates any of the above restrictions may be subject to varying levels of disciplinary action including termination.
- We will maintain all records regarding personal securities transactions as is detailed in Rule 204A-1 of the Investment Advisors Act of 1940.

## **Item 12 Brokerage Practices**

### **Research and Soft Dollar Benefits**

Our firm does not maintain soft dollar arrangements or agreements with any broker-dealer.

### **Brokerage for Client Referrals**

Our firm does not receive or participate in any program whereby we receive client referrals in exchange for using any particular broker-dealer.

### **Directed Brokerage**

Not applicable to our firm.

### **Trade Aggregation and Allocation**

Not applicable to our firm.

## **Item 13 Review of Accounts**

Depending on the types of services contained within your Agreement we may do the following:

### **Performance Monitoring and Evaluation**

You may receive periodic reports as outlined in your Agreement detailing the items agreed upon in that Agreement. You should also receive performance reports from individual asset fund managers, custodians, and broker-dealers or other third parties.

## **Investment Screening and Selection**

We may in accordance with our Agreement with you perform a mapping review of investment alternatives based solely on the universe of available options within the applicable insurance product.

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

Our firm does not engage solicitors and does not have any solicitor agreements with outside third parties.

## **Item 15 Custody**

Our firm does not have actual or constructive custody of any client account.

## **Item 16 Investment Discretion**

We do not have discretionary or non-discretionary authority over your account if you utilize us solely for consulting services.

When we provide investment consulting services, you will authorize us or our affiliates to have either limited discretion or non-discretionary authority over the account, depending on the type of Agreement you enter into with us.

Generally, our discretionary authority will be limited to the ability to do the following without contacting you:

- Determine the specific asset funds to buy or sell.
- Determine allocations and rebalancing of accounts.
- Enter trade orders for the purchase or sale of asset funds to balance accounts in accordance with your funding strategy document, as may be applicable.

For accounts with non-discretionary authority, we can submit orders to buy or sell for execution only after receiving written instructions from you to do so in each instance.

In all cases either type of discretion is to be used in a manner consistent with the stated funding strategy document for your account.

When we select asset funds and determine the amounts of those asset funds to buy or sell we will observe the funding strategy document or other investment policies, such as an investment policy statement, as well as any other limitations or restrictions which you may have given us to follow.

You give us discretionary or non-discretionary authority when you sign an Agreement with us, and you may limit this authority by giving us written instructions in advance of entering into an Agreement. You may also limit this authority at any time after entering into an Agreement while that Agreement remains in effect by once again providing us with written instructions. These limitations and other instructions will become a part of your Agreement and permanent file.

## **Item 17 Voting Client Securities**

We are not responsible for voting proxies or other corporate actions solicited by issuers of securities held in your account.

You will retain the right and the responsibility to vote proxies or corporate actions as you deem appropriate.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

If we maintain discretionary authority for your account or are deemed to have actual or constructive custody of your assets or we collect fees as described in the preceding paragraph of this section we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

Our firm has no financial circumstances to report. Additionally, our firm has not been the subject of a bankruptcy proceeding at any time during the past ten years.