

## **Form ADV Part 2A Brochure**

### **Cover Page - Item 1**

## **Broadstreet Family Office LLC**

361 Route 202  
Somers, NY 10589

Phone: (914) 427-8036  
Fax: (914) 306-9991  
[www.broadstreetglobaladvisors.com](http://www.broadstreetglobaladvisors.com)

**January 4, 2024**

This brochure provides information about the qualifications and business practices of Broadstreet Family Office LLC (hereinafter “Broadstreet”). If you have any questions about the contents of this brochure, please contact us at (914) 427-8036. 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 Broadstreet Family Office LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Broadstreet Family Office LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

This is our firm's first brochure; therefore, we have not made any material changes. We will review and update, as needed, our brochure at least annually to make sure that it remains current.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (914) 427-8036 or at [Nick@broadstreetfamilyoffice.com](mailto:Nick@broadstreetfamilyoffice.com).

**Table of Contents - Item 3**

**Contents**

Cover Page - Item 1.....	1
Material Changes - Item 2.....	2
Table of Contents - Item 3 .....	3
Advisory Business - Item 4 .....	4
Fees and Compensation - Item 5 .....	6
Performance-Based Fees and Side-By-Side Management - Item 6 .....	8
Types of Clients - Item 7.....	9
Methods of Analysis, Investment Strategies and Risk of Loss - Item 8.....	9
Disciplinary Information - Item 9 .....	17
Other Financial Industry Activities or Affiliations - Item 10.....	17
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11.....	17
Brokerage Practices - Item 12.....	18
Review of Accounts - Item 13 .....	22
Client Referrals and Other Compensation - Item 14 .....	22
Custody - Item 15.....	22
Investment Discretion - Item 16 .....	23
Voting Client Securities - Item 17 .....	23
Financial Information - Item 18 .....	23
Requirements of State-Registered Advisers - Item 19.....	23
Broadstreet Family Office LLC Privacy Notice.....	24

#### Advisory Business - Item 4

Broadstreet Family Office LLC (hereinafter “BFO,” the “firm,” “us,” “we” or “our”) is a registered investment adviser based in Somers, New York. We are a limited liability company, organized under the laws of the State of Delaware. We began operations in 2023. Nicholas Mancini is the principal owner of BFO.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, an employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer Family Office Services that are uniquely designed to help families coordinate their multiple forms of capital using a holistic and collaborative team approach combining the many elements inherent to a successful life with wealth. Our collective experiences support our belief that a dedicated team of independent and objective professionals working in collaboration with each other in partnership with the family is the best way to serve families of significant wealth. Such a relationship enhances BFO’s ability to advise families on the opportunities and risks that their wealth presents allowing families to make educated decisions.

Initially, BFO meets with the prospective client to obtain information about their overall situation. This information is used to assist BFO in understanding a client’s needs and the scope of services that are most appropriate for the client’s situation. The family office services BFO will provide will be specifically described in the Family Office Services Agreement you enter into with our firm. Additional services beyond the scope of the Family Office Services Agreement may be provided under separate agreement(s) and may include a separate fee as mutually agreed to by BFO and the client.

Our family office services vary by family and occasionally within families, but may include any of the following:

- Information Management and Coordination – We organize key information and then coordinate such information with the family, the family’s accountant, attorney, insurance agents, and other key advisors.
- Estate, Gift & Trust Planning – We provide explanations, summaries, and illustrations of existing and proposed estate planning documents and strategies, including recommendations and education on additional strategies, considerations for making updates periodically, and further coordination with the family’s tax and legal advisor(s) to implement agreed upon strategies or updates.
- Income Tax Planning – Includes planning for the minimization of tax liabilities, including asset location, tax loss harvesting and gain minimization planning, charitable asset selection, facilitation of income tax payments, and coordination with the family’s tax advisor(s).
- Financial Planning – Includes planning related to cash flow analysis, capital sufficiency modeling, lifestyle goals, credit usage, major asset purchases or liquidations, and significant life events.
- Philanthropic Planning – Includes defining philanthropic goals, education on philanthropic vehicles, and strategies for maximizing the benefits of philanthropy across the family and the organizations they choose to benefit.
- Education – Includes both individual and group-based learning sessions around various planning, tax, investment, and other topics with the intention of growing not only the family’s financial capital but non-financial capital as well. These topics while commonly focused on younger generations are generally available across all generations.
- Assistance with Trust Administration – Includes advice around trustee selection and ongoing guidance, general understanding of trust purposes and provisions. Often involves education for grantors, trustees, and beneficiaries on their respective roles and responsibilities.
- Consolidated Reporting Services – Allows the family to customize how their assets are reported by offering a view across multiple accounts or entities in a single statement and/or to segregate assets within accounts. This service may include assets not generally managed by BFO such as closely-held private family assets. Allows the family and their advisors to understand and monitor the total family balance sheet and provide comprehensive and integrated advice from a vantage point inclusive of the family’s entire wealth landscape. This may require an additional fee depending on the nature and

complexity of the non-managed assets being reported on. Any additional fees will be mutually agreed to in advance.

- Asset Protection Planning and Review – Includes review and discussion of strategies that may avoid or minimize a portion of a family's balance sheet at risk. These strategies will be evaluated on the benefits they may provide against the degree and likelihood of loss and the complexity and administration they may require to achieve such protections.
- Liability Risk Management Planning and Review – Includes advice on a combination of mitigation strategies including the use of special purpose entities, trusts, and/or various insurance tools. We will review the family's assets and liabilities to determine: location, titling, and ownership structure. We will review existing or proposed policies and, after receiving your permission, we may facilitate reviews with unaffiliated third-party professionals. BFO does not receive compensation for recommending or placing insurance nor do we receive compensation from such third parties with whom we may involve to review your situation.
- Estate Tax Liquidity Planning and Review – Includes determination of estate tax liquidity needs and determination of potential liquidity sources including asset liquidations and life insurance. We will review existing or proposed policies and, after receiving your permission, we may facilitate reviews with unaffiliated third-party professionals. BFO does not receive compensation for recommending or placing insurance nor do we receive compensation from such third parties with whom we may involve to review your situation.

#### Portfolio Management Services

As part of our overall family office services, BFO offers portfolio management services to clients where we manage our client's investments within the larger context of the client's overall portfolio management and planning process. Portfolio management services consist of ongoing advice and discretionary portfolio management services. At the start of the service, an Associated Person will have one or more consultations with the client to determine the client's investment objectives, risk tolerance, and other relevant information (the "suitability information"). We will also use the information we gather from our consultation(s) to create an investment strategy.

BFO implements investment recommendations as part of its ongoing portfolio management service by developing a strategy that enables us to give the client continuous and focused investment advice. As part of our portfolio management services, we customize an investment portfolio in line with the client's risk tolerance and investing objectives. Once we construct an investment portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and/or the client's financial circumstances.

Our portfolio management services are primarily offered on a discretionary basis. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you for prior approval of each transaction. These decisions are made based upon your stated investment objectives. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

BFO does not recommend one particular type of security over other types of securities. We provide advice on various types of securities, including alternatives, and advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

BFO will recommend that clients invest in various pooled investments ("**Related Funds**") sponsored and managed by entities or their related parties (collectively, "**Affiliated Sponsors**") that have a non-controlling minority ownership interest in BFO.

As part of our overall portfolio management strategy, we may engage the services of a sub-advisor that also acts as a Solicitor (as defined in Item 14 below) of BFO's services (the "**Sub-Advisor-Solicitor**"). The **Sub-Advisor-Solicitor** will provide non-discretionary investment advice to BFO.

In some cases, BFO will recommend that clients invest in tax efficient private investment funds (the “TEFs”) organized as limited liability companies for which the Sub-Advisor-Solicitor acts as manager. The TEFs will purchase privately placed deferred variable annuity contracts (each, a “Contract”) purchased from one or more U.S. insurance companies. The investment returns on the Contracts will be linked to the performance of privately placed insurance dedicated investment funds or separately managed accounts (each, a “TEF Related Managed Account”) each managed by an investment manager. BFO’s affiliate Broadstreet Global Advisors, Inc (“BGA”) acts as investment manager for some of the TEF Related Managed Accounts. BGA will invest some of the assets in the TEF Related Managed Accounts in the Related Funds.

In some cases, BFO will also recommend that clients invest in managed accounts, private equity funds, hedge funds, non-traded REITs, business development companies, limited partnerships, and other pooled investment vehicles (all of the foregoing, collectively, “Unaffiliated Private Funds” and collectively with Related Funds, the “Private Funds”) that are managed by unaffiliated investment managers (“External Investment Managers” and collectively with the managers of Related Funds “Investment Managers”) that use a variety of investment and trading strategies.

All Investment Managers, including Investment Managers to Private Funds recommended by our firm must either be registered as investment advisers or exempt from registration requirements. These Investment Managers may specialize in traditional investment management or alternative strategies like private equity investments, private credit markets, hedge fund strategies, or others. Factors that we take into consideration when making our recommendations and/or selecting Unaffiliated Private Funds include, but are not limited to, the following: the Investment Managers’ performance and methods of analysis and your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the Investment Managers’ performance to ensure that its management and investment style remain aligned with your investment goals and objectives.

BFO will monitor your portfolio’s performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

The advice we propose is designed to achieve the client’s desired goals which may require revision to meet changing circumstances. Our recommendations are based on your situation from the information provided to the firm. Families may choose to accept or reject our non-discretionary recommendations. We should be notified promptly of any change to your situation, goals, objectives, or needs.

#### **Assets Under Management**

Since we are a newly established firm, as of January 2, 2024, we have \$0 in discretionary and \$0 in non-discretionary assets under management.

### **Fees and Compensation - Item 5**

#### **Family Office Services Fees**

Family office Services fees are billed monthly, in advance, and are based on the value of your portfolio at the end of the preceding month. Terms of payment are stated in the Family Office Services Agreement signed by the client and the firm. Generally, the portfolio management fee will be deducted from the client’s account held with a non-affiliated, qualified custodian. The qualified custodian will provide the client with an account statement. This statement will detail all account activity, including any fees deducted from the account(s). We may deduct the fee from a single, client-designated account to facilitate billing. BFO will also receive a copy of your account statements from the custodian. Please review each statement for accuracy. Please let us know immediately if you have questions about or if you did not receive a statement. In our sole discretion, we may also negotiate other fee payment arrangements with clients. These payment arrangements will be clearly set forth in the Family Office Services Agreement signed by the client and the firm.

On an annualized basis, BFO typically charges an annual fee, based upon a percentage of the market value of the assets being managed, ranging up to 1.50% of assets under management. We may also negotiate other fee schedules, such as an annual fixed fee or an annual percentage of assets under management fee based on a tiered fee schedule. For all investments in Unaffiliated Private Funds, the management fee is set at a flat rate of 1.00% of assets under management.

BFO will not charge a management fee for any assets invested in TEFs and the Related Funds because BFO's affiliated entities will receive fees for those investments. Clients should read the offering materials of the TEFs and the Related Funds to determine the fees that will be incurred in conjunction with those investments.

Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. The exact fee to be paid by the client will be clearly stated in the Family Office Services Agreement signed by the client and the firm.

At the inception of portfolio management services, the first pay period's fees will be calculated on a pro-rata basis. The Family Office Services Agreement between the client and BFO will continue in effect until either party terminates the agreement in accordance with the terms of the agreement. BFO's annual fee will be pro-rated through the date of termination and any pre-paid, unearned fees will be promptly refunded to the client.

Our annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses. You are responsible for brokerage costs incurred. However, BFO will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs. We urge clients to review this section in detail to familiarize themselves with the custodial fee billing arrangements negotiated with Charles Schwab & Co., Inc., Interactive Brokers, and Kingdom Trust.

#### **Individual Retirement Account Rollover Disclosures**

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

#### **Additional Fees and Expenses**

Fees are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of any advisory client.

All fees paid to BFO for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

A client could invest in a mutual fund or exchange traded fund directly, without the services of BFO. In which case, the client would not receive the services provided by BFO, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to their financial condition and objectives. Accordingly, clients should review the fees charged by the funds and the fees charged by BFO to fully understand the total amount of fees charged and to evaluate the cost of advisory services being provided.

In addition to the payment of an advisory fee to our firm, clients investing in Unaffiliated Private Funds directly and/or indirectly will pay a separate fee to the External Investment Managers of such funds, and certain other fees and expenses of the Unaffiliated Private Funds. Investors invested directly and/or indirectly in Unaffiliated Private Funds may also pay carried interest, performance or incentive allocations to the External Investment Managers or sponsors of the Unaffiliated Private Funds, all of which contribute to the overall cost of the investment.

**Negotiability of Fees:** We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

**Billing on Cash Positions:** The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

**Billing on Margin:** Unless otherwise agreed in writing, the gross amount of assets in the client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees which will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with clients. Clients are free to restrict the use of margin by our firm. However, clients should note that any restriction on the use of margin may negatively impact an account's performance in a rising market.

**Periods of Portfolio Inactivity:** The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.



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

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. 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. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s). However, clients investing in alternative investments may also pay carried interest, performance or incentive allocations to an underlying manager or sponsor of an underlying investment fund in which they invest, all of which contribute to the overall cost of the investment.

In addition, different BFO clients pay different amounts of management fees. Charging different levels of asset-based fees, creates conflicts of interest. BFO has an incentive to favor those accounts that pay us a greater management fee over those accounts that pay BFO a lesser management fee because BFO will receive greater compensation by doing so. Nonetheless, BFO seeks to treat all clients in a fair and equitable manner at all times, and BFO will act in a manner that it believes to be in the best interests of all of its clients. To that end, BFO has established a variety of policies and other controls regarding allocation of investment opportunities. Please see Item 12 below for more information about our allocation policies.

#### Types of Clients – Item 7

We generally offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations and other business entities.

BFO generally requires clients to be "Qualified Clients" who have a net worth greater than \$2,200,000 (exclusive of the value of primary residence), or those for whom we manage a minimum of \$1,100,000, from the beginning of our agreement for services. However, from time-to-time, in its sole discretion, BFO may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other factors.

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

Our investment strategies and advice may vary depending on your specific financial situation. As such, we determine investments and allocations based on your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use one or more of the following ***methods of analysis*** when providing investment advice to you:

- **Fundamental Analysis** – Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine a company's or a security's true value by looking at all aspects of the business, including both tangible factors (e.g., machinery buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries, and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of determining what sort of position to take with that security (underpriced = buy, overpriced = sell or

short). This method of security analysis is considered the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. The risk associated with fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- **Technical Analysis** – Technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based on historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.
- **Cyclical Analysis** – Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company. The primary risks with cyclical analysis are similar to those of technical analysis.
- **Charting Analysis** – Charting analysis involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends. The primary risk of charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Private Funds Due Diligence.** BFO's due diligence of potential investment opportunities in Private Fund entails a review of the factors described below:
  - a. **Quantitative factors** – BFO evaluates each potential investment opportunity on the basis of its historical performance, historical risk profile and, where we believe warranted, the investment opportunity's drawdown patterns.
  - b. **Qualitative factors** – On the qualitative side, BGF considers a number of different factors. We review a Private Fund's offering materials to consider its material terms including but not limited to: (i) the Private Fund's stated investment objectives, strategies, and restrictions, (ii) the management fees, performance allocations, and expenses for which an investor in the Private Fund would be responsible, (iii) the Private Fund's methodology for valuation and net asset value calculation, (iv) an investor's redemption, distribution, and other rights, (v) an investor's entitlement to reports and other information, and (vi) the risks associated with an investment in the Private Fund. In addition, we review a Private Fund's due diligence questionnaire to the extent it maintains one and endeavor to meet with the Private Fund's Investment Manager to gain further information regarding the Investment Manager's investment and trading strategy, risk management/oversight procedures and trading operations.
  - c. **Portfolio concentration** – BGF seeks to obtain position transparency with respect to each Private Fund's portfolio, as appropriate. Based on the portfolio information received, BGF tries to determine whether an Private Fund's portfolio is highly concentrated in specific positions,

markets, geographies and/or sectors and its risk profile. Further, if there is a high concentration in certain positions, BGF seeks to evaluate the liquidity of those positions.

- d. Portfolio management experience and service providers – BGF also considers an Investment Manager’s portfolio management experience and checks publicly available online sites for negative information such as lawsuits and criminal proceedings involving the Investment Manager, its principals and key personnel and the Private Fund. BGF also requests information about the service providers (i.e., the auditor, administrator, accounting firm and legal counsel) and financial intermediaries used by the Private Fund and, as deemed appropriate, also seeks to contact them to verify their relationship with the Private Fund and its Investment Manager and their key personnel.

We may use one or more of the following *investment strategies* when advising you on investments:

- *Long-Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost – “locking up” assets that may be better utilized in the short-term in other investments.
- *Short-Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities’ short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. Many factors can affect financial market performance in the short term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of time.
- *Option Writing* – an option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we generally use covered options and protective put options. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses. Please see **Risks Associated with Investing in Options** below for more information about these risks.
- *Trading* – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Other factors, such as changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic, or monetary policies, may affect investments as well. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary, and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of government intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

- **Margin Transactions** – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:
  1. You can lose more funds than you deposit in your margin account.
  2. The broker-dealer can force the sale of securities or other assets in your account.
  3. The broker-dealer can sell your securities or other assets without contacting you.
  4. You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
  5. The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
  6. You may not be entitled to an extension of time on a margin call.

Private Funds: BFO recommends that certain client assets be allocated in a diversified portfolio of Private Funds managed by Investment Managers using a variety of investment and trading styles, some of which are more traditional investment strategies emphasizing investments in stocks and bonds, but many of which are alternative strategies including strategies involving private equity, private credit, less traditional investment strategies such as short sales, hedging [(including the use of derivatives), option trading and leverage (including margin trading and investing in derivatives), event driven, distressed emerging markets, real (physical) assets, lending, and arbitrage.] When constructing portfolios of multiple Private Funds, BFO believes it is important that no single Private Fund cause a portfolio undue distress and, therefore, generally seeks diversification across Managers and investment strategies with respect to clients where BFO recommends investments in a limited amount of Private Funds, BFO generally recommends multi-strategy Private Funds that do not hold overly concentrated positions and that generate revenue from a diverse group of strategies.

**Investing in securities involves the risk of loss that clients should be prepared to bear.** Clients should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their risk exposure. Certain investment strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

#### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refer to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Fixed Income:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates on a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency. Detailed information about the risks associated with each ETF is provided in the relevant ETF's prospectus.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option

generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Options involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. We encourage all clients who invest in options for speculative purposes to do so only investing with risk capital.

We utilize options for certain clients to protect against downside risk by buying protective put options or to enhance income through the sale of covered call options. In using these strategies, the returns are limited and the risks are also limited to the costs of the options. For certain clients who authorize us to do so, we may purchase call options in an attempt to generate leveraged positive returns. In this case, risk is also limited to the cost of the options premium. In other strategies, for certain clients wishing to pursue higher returns with a portion of their portfolio, we may engage in potentially risky trades using options and options spreads where most or all of the capital in a specific trade may be lost. Typical trades in such strategy involve the purchase of a call spread that is funded largely by the sale of a put spread. Since options are time sensitive investments, the buyer or seller of an option could lose his entire investment or be obligated to purchase shares of the underlying security in which the option was written. For more information concerning the risks and strategies of options, clients are encouraged to read the Options Clearing Corporation publication "[Characteristics & Risks of Standardized Options](#)." No client is under any obligation to utilize options strategies. There can be no guarantee that an options strategy will achieve its objective or prove successful.

**Risks Associated with Investing in Alternative Investments:** We may recommend to qualified clients the use of alternative investments such as investments in real estate, private equity, or hedge funds. We may also recommend a direct investment into a private company. Investments in such "alternative assets" are generally illiquid, which will impair the ability of the client to exit such investments in times of adversity. Alternative investments may utilize highly speculative investment techniques, including leverage, highly concentrated portfolios, senior and/or subordinated securities positions, control positions and illiquid investments. In addition, they may utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Transactions in such derivative instruments may expose the assets of investment funds to the risks of material financial loss, which may in turn adversely affect the financial results of the client.

**Risks Associated with Investing in Private Funds:** Private Funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies. Private Funds often engage in leveraging and other speculative investment practices that increases the risk of investment loss. A Private Fund's performance can be volatile. An investor could lose all or a substantial portion of his or her investment. There may be no secondary market for the investor's interest in the fund. Private Funds can be highly illiquid and there may be restrictions on transferring interests in the fund. Private Funds are not required to provide periodic pricing or valuation information to investors. Private Funds may have complex tax structures. There may be delays in distributing important tax information. Private Funds are not subject to the same regulatory requirements as mutual funds. Private Funds often charge high fees. The fund's high fees and expenses may offset the fund's trading profits. Additional information about the risks associated with each Private Fund is available in the funds' private placement memorandum, and other subscription documents.

**Concentrated Position Risk:** Our firm and our Associated Persons may recommend that clients concentrate account assets in a specific fund, industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in



specific securities, including our affiliated Fund. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

**Preferred Securities Risk:** Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issuer's after-tax profits, while bond interest is paid before taxes.

**Risks Associated with Investing in Inverse and Leveraged Funds:** Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

**Risks Associated with Investing in Buffer ETFs:** Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both

factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

**Risks Associated with Investing in Structured Products:** Certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with individually holding the same securities, investors in structured products generally pay their share of the structured product's administrative and other expenses. Although it is difficult to predict whether the prices of assets underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured product uses shorter-term financing to purchase longer-term securities, the issuer may be forced to sell its securities at below-market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured products. Certain structured products may be thinly traded or have a limited trading market.

**Structured Notes:** Below are some specific risks related to the structured notes recommended by our firm:

- *Complexity:* Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- *Market risk.* Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value:* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.
- *Liquidity:* The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.
- *Credit risk:* Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note



issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

**Cryptocurrency Risk\*:** Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency”, “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm’s clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm’s clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client’s investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network’s long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm’s clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and “flow-through” to the underlying investors.

\*BFO does not recommend or invest in cryptocurrencies. This disclosure is provided to assist clients with understanding some of the risks associated with these types of investments should clients invest in pooled investments with exposure to cryptocurrencies on their own accord.

**Cybersecurity Risks:** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value, or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of the unauthorized use of their personal

information. While our firm has established business continuity plans, incident response plans, and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a client's investment in such securities to lose value.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

#### Disciplinary Information – Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of reportable material legal or disciplinary events.

#### Other Financial Industry Activities or Affiliations – Item 10

Neither BFO nor any of its management persons is registered as a futures commission merchant, a commodity trading adviser, or a commodity pool operator, nor does either party have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

Nicholas Mancini is the principal owner of Broadstreet Global Advisors, Inc., (“BGA”) a registered investment adviser based in New York. Broadstreet Global Advisors, Inc. primarily provides wealth management and consulting services. Clients of BFO will not be solicited to become clients of BGA.

Please also see the “Participation or Interest in Client Transactions” in Item 11 below for information about relationships with affiliates that directly or indirectly sponsor or manage investment funds.

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

##### **Description of Our Code of Ethics**

BFO has adopted a Code of Ethics (the “Code”) to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes BFO's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;

- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of BFO's Code of Ethics is available upon request to our firm at (914) 427-8036 or at [Nick@broadstreetfamilyoffice.com](mailto:Nick@broadstreetfamilyoffice.com).

#### **Participation or Interest in Client Transactions**

As noted in the "Portfolio Management" section of Item 4 above, BFO will recommend that certain clients invest in (i) the Related Funds sponsored and/or managed by the Affiliated Sponsors; and/or (ii) the TEFs managed by the Sub-Advisor-Solicitor and some whose assets will be invested by BGA in the Related Funds. The Affiliated Sponsors and the Sub-Advisor-Solicitor also recommend clients to BFO. In addition, certain BFO Associated Persons and the Sub-Advisor-Solicitor may also provide investment advice to the Affiliated Sponsors and Related Funds. These interrelationships create a number of conflicts of interest because they incentivize BFO, our affiliates, and our Associated Persons to recommend the Related Funds and the TEFs over other investments that have no relationship with our firm because recommending the Related Funds and the TEFs (i) generates additional revenue for the Affiliated Sponsors and the Sub-Advisor-Solicitor; (ii) incentivizes the Affiliated Sponsors and the Sub-Advisor-Solicitor to refer new clients to BFO; and (iii) may cause Associated Persons that also provide investment advice to the Affiliated Sponsors to receive additional compensation from the Affiliated Sponsors. To address these conflicts of interest, BFO has adopted policies that require the firm to make investment decisions in the best interests of its clients. In addition, BFO seeks the consent of its clients each time it seeks to invest the client's assets in the Related Funds or the TEFs. Furthermore, BFO waives its investment management fees on assets invested in the Related Funds and the TEFs. Interests in the Related Funds and TEFs are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions. Investors in the Related Funds and TEFs are urged to carefully review the applicable offering documents for a description of the fees, investment objectives, risks and other important information associated with investing in the Related Funds and the TEFs.

#### **Personal Trading Practices**

At times, BFO and/or its related persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. In an effort to uphold our fiduciary duties to clients, BFO and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale that is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be deemed a material conflict requiring disclosure at the time of trading.

#### **Brokerage Practices – Item 12**

We recommend the brokerage and custodial services of several unaffiliated qualified custodians. We believe that recommended broker-dealers/custodians provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers/custodians, including the value of research provided, the company's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers/custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

At this time, we primarily recommend the services of Charles Schwab & Co., Inc., along with the services of Interactive Brokers, LLC and Kingdom Trust. Our investment adviser representatives are not registered representatives of Charles Schwab & Co., Inc. or Interactive Brokers; and, they do not receive commissions or

other compensation from recommending the brokerage or custodial services offered by Charles Schwab & Co., Inc. or Interactive Brokers.

**Charles Schwab & Co., Inc.**

BFO has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

Schwab generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account.

Research and Other Soft Dollar Benefits Received from Schwab

Although not considered "soft dollar" compensation, BFO may receive some economic benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Below is a detailed description of Schwab's support services:

*Services that Benefit You:* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' 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.

*Services that Generally Benefit Only Us:* 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 us. 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 us with other benefits such as occasional business entertainment of our personnel.

#### **Interactive Brokers, LLC**

We have an institutional custodial relationship with Interactive Brokers. Interactive Brokers is an independent and unaffiliated SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). We are independently owned and operated and not affiliated with Interactive Brokers. Interactive Brokers will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Interactive Brokers as custodian/broker, you will decide whether to do so and you will open your account with Interactive Brokers by entering into an account agreement directly with them. We do not open the account for you.

Interactive Brokers generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Interactive Brokers account. In addition to commissions, Interactive Brokers charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Interactive Brokers account.

We believe that Interactive Brokers provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Interactive Brokers, including the value of research provided, the company's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Interactive Brokers provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Interactive Brokers provides us with additional services as electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisors. In addition, Interactive Brokers provides us with access to software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution;
- 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.

#### **Kingdom Trust**

We recommend Kingdom Trust as custodian of record, primarily for alternative investments, self-directed individual retirement accounts and solo 401(k)s. Kingdom Trust provide our clients with access to a broad range of alternative investment products such as promissory notes, precious metals, real estate and private equity investments, along with traditional asset classes such as equities, bonds, mutual funds and ETFs. While BFO may receive access to certain benefits through our recommendation of Kingdom Trust, we do not receive soft dollars. Kingdom Trust provides us products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Kingdom Trust. In addition to investment research, Kingdom Trust also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution;
- 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.

BFO understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all BFO clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While BFO may not always obtain the lowest commission rate, BFO believes the rate is reasonable in relation to the value of the brokerage and research services provided.

Clients should note that the receipt of additional benefits from Schwab, Interactive Brokers, LLC and Kingdom Trust gives us an incentive to require that you maintain your account with them based on our interest in receiving additional services rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab, Interactive Brokers, LLC and Kingdom Trust as custodians and/or brokers is in the best interests of our clients. Our belief is primarily supported by the scope and quality of services these firms provide to our clients and not services that benefit only us. Additionally, these benefits are offered to all investment advisers that use Schwab, Interactive Brokers, LLC and Kingdom Trust for custodial and execution services and not just our firm.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

The client may direct brokerage to a specified broker-dealer other than the firm recommended by BFO. In the event that a client directs BFO to use a particular broker-dealer, the firm may not be authorized under these circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the firm to use a particular broker-dealer and those who do not.

#### **Trade Aggregation/Block Trading**

BFO generally aggregates transactions in equity and fixed income securities for a client with other clients to improve the quality and cost of execution. In addition, to the extent BGA will be investing for its clients contemporaneously in the same securities as BFO will be investing for its clients, the transactions for BGA clients trades generally will be aggregated with the BFO client trades. Transactions will be aggregated only for accounts held at the same broker dealer/custodian, using such broker dealer's trading platform. When transactions are aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. BFO may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money. Furthermore, even when transactions are aggregated, the management of multiple client accounts will sometimes cause a client to receive a different price or amount of assets than it would have otherwise received. For example, if BFO did not manage multiple client accounts each client individually would be able to receive or sell a greater percentage of limited opportunity securities. This conflict is further increased by the fact that BGA client account trades are also included in aggregated trades. Consequently, when multiple BFO and BGA clients participate in limited opportunity trades, each participating account reduces the opportunity available to other participating accounts. Nonetheless, BFO expects this conflict of interest to arise infrequently because generally the securities BFO invests in are liquid and readily available investments. BFO and/or its Associated Persons may participate in block trades with clients; however, BFO, and/or its Associated Persons and BGA and its employees will not participate on a pro rata basis for partial fills.



#### Review of Accounts – Item 13

##### **Account Reviews**

BFO monitors account holdings and portfolio performance on a continuous basis. BFO offers portfolio management clients an in-person portfolio review meeting on an annual basis. This meeting may be conducted virtually. Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or upon client request. Reviews are conducted by the Associated Person assigned to the client relationship.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis.

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

BFO has brokerage and clearing arrangements with Schwab, Interactive Brokers and Kingdom Trust, and we may receive additional benefits from these firms in the form of electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker-dealers/account custodians.

Non-employee (outside) consultants, individuals, and/or entities, who refer prospective clients to BFO (collectively "**Solicitors**") may receive compensation from the firm ("**Solicitation Fees**"). Such arrangements will comply with the requirements of the relevant jurisdictions, including the requirement that the compensation arrangement is disclosed to the prospective client at the time of the referral. Referral compensation will only be paid in jurisdictions in which the relevant parties are registered or exempt from registration requirements. Under these arrangements, clients will not pay additional fees because of this referral arrangement. However, Solicitors that receive Solicitation Fees are subject to a conflict of interest, in that their receipt of the Solicitation Fees provides an incentive for them to recommend BFO's investment advisory services over other choices for which the Solicitor receives lower or no compensation. Furthermore, the Sub-Advisor-Solicitor has an additional incentive to recommend BFO because such referrals may increase the sub-advisory compensation the Sub-Advisor-Solicitor receives from BFO and may cause BFO to recommend that clients invest in the TEFs which will increase the manager fees the Sub-Advisor-Solicitor will receive in its capacity as manager of the TEFs.

BFO also receives referrals of prospective clients from the Affiliated Sponsors. As noted in Item 11 above, certain BFO Associated Persons also provide investment advice to the Affiliated Sponsors and Related Funds. The Affiliated Sponsors have an incentive in recommending BFO over other investment advisers because (i) the Affiliated Sponsors or their related parties have a minority ownership interest in BFO; (ii) BFO also directly recommends the Related Funds sponsored or managed by the Affiliated Sponsors and indirectly causes certain client assets to be invested in the Related Funds by recommending the TEFs some of whose assets will be invested in the Related Funds by BGA; (iii) recommending BFO may cause Associated Persons that also provide investment advice to the Affiliated Sponsors and Related Funds to receive additional compensation from BFO; and (iv) recommending BFO may cause the Sub-Advisor-Solicitor that also provides investment advice to the Affiliated Sponsors and Related Funds to receive additional compensation directly from BFO and/or through BFO recommending that clients referred by the Affiliated Sponsors invest in the TEF.

#### Custody - Item 15

Where we directly debit your account(s) for the payment of our advisory fees, BFO is deemed to exercise custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian.

With respect to third party standing letters of authorization ("SLOA") where a client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we comply with the representations noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. The custodian holding client assets will not verify the calculation of the advisory fees. You should carefully review account statements for accuracy. If you have questions regarding your account or if you did not receive a statement from your custodian, please contact our firm at (914) 427-8036 or at Nick@broadstreetfamilyoffice.com.

#### Investment Discretion - Item 16

BFO offers Portfolio Management Services on a discretionary basis only. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to withdraw management fees, BFO does not have the ability to withdraw funds or securities from the client's account. The client provides BFO discretionary authority via a limited power of attorney in the management agreement and in the contract between the client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

BFO does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.



#### Financial Information - Item 18

In this section, we are required to provide you with certain financial information or disclosures about BFO's, financial condition. BFO does not require the prepayment of over \$1,200, six or more months in advance. Additionally, BFO has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable because our firm is SEC registered.**

#### Broadstreet Family Office LLC Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

##### **INFORMATION WE COLLECT**

Broadstreet Family Office LLC must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

##### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

##### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

##### **ACCURACY**

Broadstreet Family Office LLC strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals. If you have any questions regarding your privacy, please contact our firm at (914) 427-8036 or at Nick@broadstreetfamilyoffice.com.