



# **Wrap Fee Program Brochure**

## **Appendix 1 of Form ADV, Part 2A**

**Effective October 2024**

**Corporate Headquarters**

107 Kilson Drive, Suite 206  
 Mooresville, NC 28117  
 Telephone: 877.281.8282

**Mailing Address**

999 Vanderbilt Beach Rd, Suite 200  
 Naples, Florida 34108

Telephone: 888.477.5525 or 239.593.5525

Facsimile: 239.593.9731

[www. NAMCOA.com](http://www.NAMCOA.com)

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Naples Asset Management Company®, LLC. ("NAMCOA")

If you have any questions about the contents of this Brochure, please contact us at 239-593-5525. 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.

Naples Asset Management Company®, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Naples Asset Management Company®, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Naples Asset Management Company®, LLC is 133978.

## Material Changes

As of September 2024, the Advisor has amended the Firm's Brochure to disclose the new ownership structure whereby Mr. Paul McIntyre (49%) and Ms. Robin Whitlock (51%). Ms. Whitlock's title was updated to Chairperson. Additionally, information related to soft dollars was revised. Furthermore, the number of accounts and reportable assets under management were revised and updated the Custodians that are currently available for client accounts. Lastly, the firm amended its client agreement by eliminating retroactively, for all firm accounts, the liability clause. This change to the client agreement benefits all our clients.

## Table of Contents

<b>Material Changes .....</b>	<b>2</b>
<b>Table of Contents .....</b>	<b>3</b>
<b>Services, Fee and Compensation.....</b>	<b>4</b>
<b>Account Requirements and Types of Clients .....</b>	<b>6</b>
<b>Portfolio Manager Selection and Evaluation .....</b>	<b>6</b>
<b>Methods of Analysis, Strategies and Risk of Loss .....</b>	<b>7</b>
<b>Client Info Provided to Portfolio Managers .....</b>	<b>8</b>
<b>Client Contract with Portfolio Managers.....</b>	<b>8</b>
<b>Additional Information .....</b>	<b>8</b>
<b>Financial Industry Activities and Affiliations.....</b>	<b>8</b>
<b>Code of Ethics.....</b>	<b>9</b>
<b>Brokerage Practices.....</b>	<b>8</b>
<b>Review of Accounts .....</b>	<b>10</b>
<b>Client Referral and Other Compensation .....</b>	<b>10</b>
<b>Custody.....</b>	<b>10</b>
<b>Investment Discretion .....</b>	<b>11</b>
<b>Voting Client Securities.....</b>	<b>11</b>
<b>Financial Information .....</b>	<b>11</b>



Naples Asset Management Company®, LLC (“**NAMCOA**”) is a registered investment adviser (“RIA”) based in Naples, Florida and is registered to conduct business in states it is registered or qualifies for an exemption or exclusion from registration requirements. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory and consulting services since 2003. The firm is currently owned by Mr. Paul McIntyre (CRD#: 1002368) and Ms. Robin Whitlock (CRD#: 5287262).

NAMCOA provides investment advisory services through supervised financial professionals who are investment advisory representatives (“**IARs**”) of the firm.

**Advisory services include investment management, financial planning and consulting services.** This Wrap Brochure provides information about **NAMCOA’s** advisory services under its wrap program. Other investment advisory services and important disclosures offered by the Advisor are described in the Advisor’s ADV Part 2A Brochure. Registration does not imply a certain level of skill or training.

### **Services**

NAMCOA has a custodial relationship with LPL Financial which supports the firm’s wrap program, where an Advisor of the firm, provides ongoing investment advice and management on assets in the client’s account. The Advisor provides advice on the purchase and sale of various types of investments, such as mutual funds, exchanged-traded funds, equities, and fixed income securities. The Advisor provides advice that is tailored to the individual needs of the client based on the client’s investment objective. LPL acts as a custodian for the client’s account and provides brokerage and execution services as the broker dealer on account transactions, and performs administrative services, such as quarterly performance reports to clients.

### **Fees and Compensation**

The Client pays a single wrap fee (Advisory FEE”) for advisory, brokerage and trade execution services.

The Advisory Fee is based on the value of assets managed by the Advisor, calculated as a percentage of assets under management. This fee is compensation for advisory services and portfolio management fees rendered by the Advisor as well as charges for execution and transaction services provided by LPL. The Advisory Fee is negotiable between the client and the Advisor and is set out in the Investment Advisory Agreement.

There is a minimum investment of \$50,000, although the Advisor may accept smaller accounts at its discretion. The Advisor charges no more than 2.0% annually for its portfolio management services. The amount of the investment advisory fee will be set out in the Investment Advisory Agreement executed by the client at the time the relationship is established.

The Advisory Fee is negotiated on a client-by-client basis depending on the size, complexity and nature of the portfolio managed and will be set forth in the Investment Advisory Agreement. The Advisory Fee is aggregated for family related accounts, generally defined as parents, children, and grandchildren. Because Advisory Fees are negotiated, not all clients will pay the same fees. A client may pay a higher or lower Advisory Fee depending on considerations such as the size of the client’s account, the amount of time the client has maintained an account with the Advisor, and/or the combined market value of related portfolios. While the Advisor believes that its Advisory Fees are competitive, clients may find lower or higher fees for comparable services from other sources.

Although the client does not directly pay charges for execution and transactions, clients should be aware that from the Advisory Fee paid to the Advisor will be less any transactions charges for the executions made on the clients' account. The Advisor retains the remaining portion as compensation for its advisory services and portfolio management. These transaction charges paid by the Advisor to LPL vary based on the type of transaction. Because the Advisor pays the execution and transaction charges, clients should understand that the cost of transaction charges may be a factor to the Advisor when making decisions regarding transactions in the client's account.

The Advisor instructs LPL to deduct the Advisory Fee quarterly in advance or in arrears, from the client's brokerage account unless other arrangements are set forth in the Advisory Agreement. If the Advisory Agreement is terminated before the end of the quarterly period, the Advisor will refund any pre-paid quarterly Advisory Fee on a prorated basis, based on the number of days remaining in the quarter after the termination date. After the termination date, the Advisor has no responsibility to provide ongoing investment advice to the client. The custodian LPL Financial reserves the right to charge an account termination fee to close an account except when your state of residence prohibits an account closing fee.

### **Other Types of Fees and Expenses**

In addition to the Advisory Fee, which includes LPL's execution and transaction costs, LPL may charge additional cost directly to the client. LPL notifies clients of these charges at account opening and makes available a list of these charges on its website at [www.lpl.com](http://www.lpl.com). LPL's charges may include Margin interest on any credit extended to or maintained by the client for an account approved for trading on margin and the client has entered into a margin agreement with LPL. LPL will retain a portion of any interest charged. This interest charge is in addition to the Advisory Fee. The Advisory Fee is not charged on any margin debit balance, rather only on the net equity of the account.

### **Fees Charged by Third Parties**

There are other fees and charges that are imposed by parties other than the Advisor (third parties) that apply to investments in Wrap Fee program accounts.

If a client's assets are invested in mutual funds or other pooled investment products, the client should be aware that there will be two layers of advisory fees and expenses for those assets. The client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. In the case of mutual funds that are fund of funds, there could be an additional layer of fees, including performance fees that may vary depending on the performance of the fund. The client will also pay the Advisor the Advisory Fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of LPL and the Advisor and by making their own decisions regarding the investment.

If client transfers a previously purchased mutual fund into a program account, and there is an applicable contingent deferred sales charge on the fund, the client will pay that charge when the mutual fund is sold. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

Although LPL makes available no-load and load-waived mutual funds to program accounts, LPL receives asset-based sales charges or service fees (e.g., 12b-1 fees) from certain mutual funds. LPL retains these fees and they are not shared with the Advisor.

If a client holds a variable annuity as part of a program account, there are mortality, expense and

administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. If a client holds a REIT as part of an account, there are dealer management fees and other organizational, offering and pricing expenses imposed by the REIT. If client holds a UIT, sponsors charge creation and development fees or similar fees.

### **Wrap Fees**

Advisor's annual wrap fees are based on a percentage of the market value of the client's Program assets and generally range from a minimum of 1.00% to a maximum of 2.00%. All wrap fee arrangements, however, are negotiated individually with each client based on various objective and subjective factors. These factors include, but are not limited to, the amount of the assets placed under Advisor's management, the investment strategy that the client's Program assets are managed under, the level and scope of the overall investment advisory services to be rendered and the complexity of the engagement. The final fee schedule negotiated with each Program client will be delineated in the client's Investment Advisory Agreement ("IAA") with Advisor.

### **Other Fees and Expenses Clients May Pay**

In addition to the wrap fee discussed above, clients may also pay markups/markdowns on fixed income transactions as well as bank service fees; wire transfer and electronic fund transfer fees; interest on loans, debit balances and margin accounts; borrowing charges on securities sold short; odd-lot differential fees; transfer taxes; and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and exchange traded funds also charge internal management fees, which are paid to an unaffiliated third-party investment manager and disclosed in the fund's prospectus. Such charges and fees are exclusive of and in addition to Advisor's wrap fee. Consequently, Program clients will pay two levels of investment management fees, one to Advisor embedded in the wrap fee and one embedded within the net asset value of the mutual funds and exchange traded funds that Program clients are invested in.

### **IAR Compensation**

Investment advisory representatives of Advisor ("IAR") who recommend the Program to Advisor's clients receive a portion of Advisor's wrap fees. The amount of compensation received by IARs for Program assets will vary and the amount of such compensation may be more than what they would receive if the Program client elected to pay separately for investment advice, brokerage, and other services. Consequently, IARs may have an incentive to recommend the Program to clients over other programs or services offered by Advisor.

Furthermore, because Advisor negotiates wrap fee arrangements individually with each Program client, Advisor's clients could pay diverse fees for the same services. Program clients should be aware that the wrap fee arrangements that Advisor negotiates with each client are not designed to result in the same level of net profitability for Advisor. Although Advisor believes that the wrap fee arrangements that it negotiates with each individual client are reflective of the value of the services that Advisor provides to such client, Program clients should be aware that the services provided by Advisor may be available from other investment advisers for a lower fee.

Program clients, consequently, are encouraged to review and assess the services that Advisor provides as well as the overall value of the Program and make their own independent determinations as to whether to enter into a wrap fee arrangement with Advisor.

## Account Requirements and Types of Clients

(Form ADV Part 2A, Appendix 1 - Item 5)

### Types of Clients

NAMCOA's clients are individual investors, retirement plans, broker dealers, investment advisers, institutional clients, insurance companies, endowment funds, family offices, business owners and other institutional entities. We offer investment advisory services to individuals and institutions. In general, we require a minimum account size of \$50,000 to open a Program account. At our discretion, we may waive this minimum account size. We may waive the minimum requirement if you are referred to us by an intermediary (Investment Advisor Representative, Registered Representatives, or Investment Consultant) or if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. We have the right to terminate the Program account if it falls below a minimum size, which, in our sole opinion, is too small to effectively manage.

Fees for advisory services may be modified in certain situations according to individual circumstances, the complexity of services required, pre-existing relationships, for family members of Advisor, or at the discretion of Advisor. Advisory services fees will not be "performance based" (based upon a share of capital gains or capital appreciation for any portion of funds under an advisory contract).

## Portfolio Manager Selection and Evaluation

(Form ADV Part 2A, Appendix 1 - Item 6)

### Portfolio Manager Selection

All Program accounts are managed by NAMCOA and through the IAR assigned to the account.

Advisor may make other outside portfolio managers as part of the Program. It is Advisor's belief that both it and its IARs have sufficient financial background and experience to provide the types of portfolio management services offered by the Program. Program clients are encouraged to review the respective Form ADV, Part 2B(s) ("**Brochure Supplement**") for the IAR assigned to their Program account for information on their specific background and experience.

Advisor does not calculate composite performance returns for itself or its IARs but does provide Program clients with monthly or quarterly brokerage statements relative to their account(s), which may show performance, or at least minimally monthly account value changes. The Advisor uses industry standards to measure its performance. Performance will be presented to clients in both annualized and cumulative terms, and clearly labeled as such.

Program clients should be aware that no third-party, to Advisor's knowledge, reviews any performance information that is created, prepared, or distributed by or on behalf of Advisor to determine the accuracy of the returns or its compliance with any applicable presentation standards. When providing quarterly performance information to clients, Advisor endeavors to provide clients with time-weighted returns that are calculated on a uniform and consistent basis.

### Tailoring of Advisory Services

Advisor's investment advisory services are tailored to the specific needs of each client. At the outset of each new client relationship, the IAR will ascertain the client's investment objective(s), needs, and risk tolerance and, based on that information, recommend an asset allocation to one or more of Advisor's asset allocation

strategies.

All clients, regardless of investment strategy, have the ability to impose reasonable restrictions, at any time, on the securities or types of securities to be held in their portfolios. Restrictions, however, are deemed “unreasonable” (1) if they would interfere with the ability of Advisor to make investment decisions in a timely manner or (2) if they would compel Advisor to make investment decisions that would be inconsistent with the client’s investment objectives, time horizon and/or risk tolerance. Any investment restrictions or changes to such restrictions must be provided to Advisor in writing and signed by the client. Please note that the imposition of one or more investment restrictions could result in investment returns that are less optimal than the investment returns that would have been achieved if no investment restrictions were imposed on Advisor.

#### **Wrap Fee Program Considerations**

With respect to the portfolio management services provided by Advisor, there is no difference in how Advisor manages Program accounts and how it manages its other advisory accounts. Clients should be aware that a portion of the Program’s wrap fee paid by the client is retained by Advisor as compensation for its portfolio management services.

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

Neither Advisor nor any IAR or other supervised person of Advisor accepts performance-based advisory fees.

#### **Assets Under Management**

NAMCOA has both discretionary and non-discretionary accounts under management. Please refer to our ADV2, Firm Brochure for a current breakdown of assets under management.

### **Methods of Analysis, Strategies and Risk of Loss (Form ADV Part 2A, Appendix 1 - Item 7)**

NAMCOA attempts to measure an investor’s risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio that best fits the investor’s profile.

Numerous publicly available sources of economic, financial and investment research are used by NAMCOA. Mutual fund recommendations are based on performance reports and analysis of managers obtained from common sources. Asset allocation software and historical performance modeling software may also be utilized.

Investment strategies may be based upon a number of concepts and determined by the type of investor. NAMCOA’s advice and recommendations are based upon information received from the client. Investing in securities involves risk of loss that clients should be prepared to bear. Such loss may result from inflation, deflation, interest rate, default, terrorism and other unknown risks that could affect investment market values, liquidity and cash flow for investments.

Clients may choose to have NAMCOA implement a portfolio strategy that includes a combination of passive and actively managed investment styles. The asset allocation strategy designed is based on each client’s stated timeframe and risk tolerance. Portfolios are diversified in various asset classes, reviewed quarterly and rebalanced per the client’s direction or at NAMCOA’s discretion.

NAMCOA’s recommended portfolio allocation and holdings may change based on market conditions and



the attractiveness of individual holdings. Assessment of the market's strength/weakness as defined by institutional investing trends, performance of leading stocks, sector leadership as well as numerous other factors help determine the asset classes allocation of the portfolio.

NAMCOA may consider investments in individual security issues and may recommend the purchase or sale of individual issues. The investment plan will contain assets in classes that NAMCOA believes, based upon historical data, have attractive combinations of return, risk and correlation. Emphasis will be placed on optimizing performance of the portfolio while attempting to control risk.

NAMCOA provides advisory services for portfolios ranging from aggressive to conservative, designed to meet the varying needs of the investors. Clients select the portfolio best suited to their individual needs.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Client Info Provided to Portfolio Managers**

(Form ADV Part 2A, Appendix 1 - Item 8)

Because Advisor is both the sponsor and sole portfolio manager of the Program, Advisor has complete access to all information about all Program clients and IARs have complete access to all information with respect to their Program clients. Furthermore, as IARs are generally the primary recipient of all information submitted by clients to Advisor, it is generally not necessary for Advisor to provide updated client information to its IARs.

## **Client Contract with Portfolio Managers**

(Form ADV Part 2A, Appendix 1 - Item 9)

Advisor does not impose any restrictions on the ability of Program clients to directly contact and/or consult with Advisor or their IAR.

## **Additional Information**

(Form ADV Part 2A, Appendix 1 - Item 10)

### **Disciplinary Information**

The Advisor is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Advisor or the integrity of the Advisor's management. Neither NAMCOA nor its management persons has been involved in any legal or disciplinary events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction, an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, any foreign financial regulatory authority, or a self-regulatory organization proceeding.

## **Financial Industry Activities and Affiliations**

(Form ADV Part 2A, Appendix 1 - Item 11)

Investment Advisory Representatives may be affiliated with a FINRA member broker dealer and disclose any such affiliation. Paul McIntyre, who serves as NAMCOA's Chief Compliance Officer, is also the Chief Compliance Officer and a registered principal of MSC-BD, LLC, a FINRA member broker dealer specializing in capital placements for private and publicly traded companies. Clients of MSC-BD, LLC are not required to utilize any NAMCOA employee, likewise, Clients of NAMCOA are not required to use any MSC-BD, LLC

employee in either capacity as Investment Advisor Representatives or registered representative. If client transactions were executed through an affiliated Broker Dealer, a NAMCOA Investment Advisory Representative could receive compensation, thus creating a conflict of interest.

NAMCOA may recommend unaffiliated third-party separate account managers that may offer investment programs that may help clients to meet their stated objectives.

Certain Investment Advisory Representatives are also registered insurance agents under an insurance agency not affiliated with the Firm. From time to time they may offer clients insurance services. This is a conflict of interest with the fiduciary interests of a registered investment adviser as commissions are earned in the sale of insurance products. NAMCOA always acts in the best interests of clients; including the sale of commissionable products to clients. Clients are in no way required to purchase any product or service in any representative's capacity as an insurance agent.

Clients are never under any obligation to use a service or firm that may be recommended. At the time of the recommendation, NAMCOA will deliver to the client the third-party manager's ADV Part 2 or substitute brochure, compensation disclosure and any other information that may be required by securities rules and regulations.

Clients are never under any obligation to purchase products that are recommended through NAMCOA or other financial services providers.

## **Code of Ethics**

**(Form ADV Part 2A, Appendix 1 - Item 12)**

The Advisor has adopted a Code of Ethics (the "Code") for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of rumor mongering, restrictions on the acceptance of significant gifts of amounts exceeding \$100 dollars, reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Advisor, NAMCOA, must acknowledge the terms of the Code annually, or as amended.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Advisor will not interfere with Advisor's duty to (i) make decisions that are in the best interest of its advisory clients and (ii) implement such decisions while, at the same time, allowing employees to invest for their own accounts.

Advisor anticipates that, in appropriate circumstances, consistent with the client's investment objectives, it will cause accounts over which Advisor has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Advisor, its affiliates, directly or indirectly, have a position of interest.

Advisor's employees and persons associated with Advisor are required to follow Advisor's Code. Subject to requirements of the Code officers, directors and employees of Advisor and its affiliates may trade for their own accounts in securities, which are recommended to and/or purchased or sold for Advisor's clients.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with Advisor's duties to act in the best interest of its clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. As a result, employee trading is continually

monitored to reasonably prevent conflicts of interest between Advisor and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Advisor's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Advisor will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

A copy of Advisor's Code of Ethics will be provided to any client or prospective client upon request. Client or prospective clients may also obtain a copy at [www.namcoa.com](http://www.namcoa.com).

## Brokerage Practices

(Form ADV Part 2A, Appendix 1 - Item 13)

NAMCOA does not maintain custody of your assets, on which we advise, as these must be maintained in an account with what is considered a "qualified custodian," generally a broker-dealer or bank. NAMCOA recommends that our clients use LPL Financial, SEI Trust Company, Interactive Brokers, Goldman Sachs, Shareholder Services Group, Equity Advisor Solutions, or another similarly registered broker-dealer, as the qualified custodian. NAMCOA is independently owned and operated and is not affiliated with any broker-dealer at the firm level, however its compliance officer, Paul McIntyre also provides compliance services to MSC-BD, LLC a FINRA member broker dealer.

A Broker Dealer will hold your assets in an account and can buy and sell securities when we and/or you instruct them to. While we recommend that you use the above mentioned custodian/brokers, you will decide whether to do so, and with whom. We do not open the account for you, although we may assist you in doing so.

### Soft Dollars

#### Products and Services Available to Us from Qualified Custodians

The use of Qualified Custodians is designed to serve independent investment advisory firms like NAMCOA. They provide our clients with access to their institutional brokerage services (trading, custody, reporting and related services). However, certain retail investors may be able to get institutional brokerage services from Qualified Custodians without going through us. Qualified Custodians also make available various support services. Some of those services help us manage and grow our business. Qualified Custodians' support services are generally available on unsolicited business (our firm does not have to request them) and at no cost to us. The following material provides a more detailed description of support services.

#### *Services that benefit you.*

Qualified Custodians include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products made available through Qualified Custodians include some which you might not otherwise have access to or that would require a significantly higher minimum initial investment by our clients. Qualified Custodians' services described in this paragraph generally benefit you and your account.

#### *Services that do not directly benefit you.*

Qualified Custodians also make available other products and services that benefit us but do not directly benefit you and/or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both their own and that of 3<sup>rd</sup> parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not

maintained at a particular Qualified Custodian. In addition to investment research, Qualified Custodians 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 and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from other clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

We do not open accounts for you, although we may assist you in doing so. Most trades occur through Qualified Custodians who have the ability to use other brokers to execute trades for your account.

#### Your Brokerage and Custody Costs

Qualified Custodians generally do not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your account. Certain trades (for example, certain mutual funds and ETFs) do not incur commissions or transaction fees. Qualified Custodians are also compensated by earning interest on the uninvested cash in your account in Cash Sweep Account. For some accounts, Qualified Custodians charge you a percentage of the dollar amount of the assets in the account in lieu of commissions.

#### Services that generally benefit only us.

Qualified Custodians also offer other services intended to help us manage and further develop our business enterprise. They services include:

- Educational conference and events;
- Consulting on technology and business needs;
- Consulting on legal and compliance-related needs;
- Publications and conferences on practice management and business succession;
- Access to employee benefits providers, human capital consultants and insurance providers; and
- Marketing consulting and support.

Our firm intends to use these benefits to cover some of the costs of its annual sales and due diligence conference for our investment advisory personnel and supervised persons. This is being included as a conflict of interest. It serves as an incentive for us to use certain Qualified Custodians.

Qualified Custodians also provide some of these services itself. In other cases, it will arrange for 3<sup>rd</sup> party vendors to provide the services to us. Qualified Custodians also discount or waive fees for some of these services or pay all or part of the 3<sup>rd</sup> party fees. Qualified Custodians may also provide us with other benefits, such as occasional business entertainment for our personnel.

#### Our interest in Qualified Custodians' services.

The availability of these services from Qualified Custodians benefits us because we do not have to produce or purchase them. We don't have to pay for Qualified Custodians' ancillary services. Qualified Custodians have also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf. The fact that we receive these benefits from certain Qualified Custodians provides an incentive for us to recommend/request the use of that particular Qualified Custodians rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate,

our selection of our select Qualified Custodians is driven by the Best Interest of our clients. Our selection is primarily supported by the scope, quality, and price of custodian's services and not service that benefits only us.

## **Review of Accounts**

(Form ADV Part 2A, Appendix 1 - Item 14)

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Each client's financial statements and investments are reviewed on an annual or more frequent basis. We discuss each client's financial situation (losses, gains, purchases, sales, investment goals, etc.) We make the required adjustments to the client's portfolio based on the client's financial situation, investment objectives and risk tolerance. Each Investment Advisor Representative is responsible for their client account reviews which are based upon a variety of factors, including routine time-based triggers as well as securities holdings and investment objective related issues.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Clients also receive monthly statements from LPL Financial, or where their consolidated accounts of assets are held. Some custodians including LPL Financial, if they deem an account has not had "activity" for a particular month, no statement for that month will be sent.

Program clients, however, are advised that it is your responsibility to promptly notify the Advisor if there are ever any changes to your financial situation, goals, needs or investment objectives. Advisor generated reports are provided for client convenience only and should not be relied on for tax purposes. Clients should rely on their custodial account statements as the official record of their account(s).

## **Client Referral and Other Compensation**

(Form ADV Part 2A, Appendix 1 - Item 15)

NAMCOA may enter into referral fee arrangements with duly registered persons or firms, or persons or firms exempt from registration. Under the terms of the referral arrangement, NAMCOA compensates the referral source when referrals are provided to NAMCOA. These fees will either be paid in the form of a one-time fee or based upon a percentage of the value assets of the referred Client. Such referral relationships do not affect the fees that clients pay to NAMCOA. In each instance appropriate disclosure documents would be delivered to prospective clients at the time of the referral, as required by the rules and regulations of the Investment Advisers Act of 1940, as amended.

## **Custody**

(Form ADV Part 2A, Appendix 1 - Item 16)

NAMCOA does not have custody of clients' assets. Clients receive monthly or quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. NAMCOA urges you to carefully review such statements and compare such custodial records to the account statements that NAMCOA may provide to you. NAMCOA's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Investment Discretion**

(Form ADV Part 2A, Appendix 1 - Item 17)

NAMCOA may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and risk tolerance for the particular client account. NAMCOA's discretionary authority does not include the withdrawing of funds or securities from the client's account. When selecting securities and determining amounts, NAMCOA observes the client's written investment policies, limitations and restrictions. For registered investment companies, NAMCOA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor longer term holding of investments once made.

## **Voting Client Securities**

(Form ADV Part 2A, Appendix 1 - Item 18)

Advisor does not vote client proxies or accept authority to vote client securities. Instead, Program clients will receive proxies and/or other solicitations directly from their account custodian or a transfer agent and maintain exclusive responsibility for (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to the client's investment assets. Program clients may contact Advisor to discuss questions they may have with respect to a particular proxy and/or other solicitation, however, Advisor is under no responsibility to give any advice on how to vote such proxy.

## **Financial Information**

(Form ADV Part 2A, Appendix 1 - Item 19)

In regards to this Item, the Advisor is required to provide you with certain financial information or disclosures about its financial condition. The Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

The Advisor is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.