



Breakwater Financial, LLC

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Form ADV Part 2A - Disclosure Brochure

October 11, 2024

This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Breakwater Financial, LLC ("Breakwater" or the "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (617) 849-8019 or by email at info@breakwaterfinancial.com.

Breakwater is a registered investment advisor located in the Commonwealth of Massachusetts. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Breakwater to assist you in determining whether to retain the Advisor.

Additional information about Breakwater and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 282401.

Item 2 Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Breakwater.

Breakwater believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Breakwater encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

The Advisor is required to note any material changes to its Form ADV.

Since the filing of the last annual updating amendment, dated February 1, 2023 we have the following material changes to report:

- Mr. Ringer decided to terminate his CDFA designation as of February 1, 2024.
- We are also advising we will no longer select or recommend a Third-Party Money Manager where advisory fees charged by Third Party Money Managers ("TPMMs") are separate and apart from our advisory fees. When we recommend the investment management services of a Third-Party Money Manager you will not be charge a separate fee for the selection of the TPMM. We pay the TPMM fees out of the advisory fee you pay to us which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure. The advisory fee we pay to the TPMM will continue to be established and payable in accordance with the brochure provided by each TPMM to whom we engage to manage a portion or all your account. We will continue to serve as the Client's primary advisor and relationship manager for the account[s] and will delegate discretionary authority for the day-to-day investment management of certain assets. Breakwater will assist and advise the Client in establishing investment objectives for their account[s], the selection of the TPMM, and defining any restrictions on the account[s].

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Item 4 Advisory Services

Firm Information

Breakwater Financial, LLC ("Breakwater" or the "Advisor") is a registered investment advisor located in the Commonwealth of Massachusetts. Breakwater is organized as a Limited Liability Company ("LLC") under the laws of Massachusetts. Breakwater was founded in February 2016 and is owned and operated by Daniel (Abe) Ringer, CFP (Principal and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Breakwater.

Advisory Services Offered

Breakwater offers discretionary and non-discretionary investment management services to individuals, high net worth individuals, families, trusts, estates, and businesses in Massachusetts and other states (each referred to as a "Client").

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

In providing account management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in your account.

Portfolio Management Services

Breakwater provides customized wealth management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and planning services. Breakwater works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an investment strategy.

Breakwater will develop and implement a long-term asset allocation that serves as the core portfolio strategy for each client. Portfolios are primarily constructed using no transaction fee mutual funds and exchange-traded funds ("ETFs"). The Advisor may also utilize other types of investments, as appropriate, to meet the needs of each particular Client.

Breakwater's investment strategy is primarily long-term focused and generally only rebalances client accounts annually; however, the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Breakwater will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Breakwater evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Breakwater may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Breakwater may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Breakwater may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

As part of its Portfolio Management Services, Breakwater offers clients the ability to include Breakwater's Financial Planning Services as part of its Portfolio Management Services as described above, for portfolios valued at \$250,000 or more. For those clients who elect to take advantage of Breakwater's Financial Planning Services your financial plan will be based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. There is no additional fees for this service, for portfolios valued at \$250,000 or more, when you engage Breakwater for your Portfolio Management Services. Our goal is to create an ongoing dynamic exercise, to meet with you every six months, (or as appropriate based upon your request) to review your progress, your plan, your goals and objectives as well as open items you wish to discuss to assist you in meeting your goals and objectives.

Financial Planning Services

Breakwater offers financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Client Account Management

Prior to engaging Breakwater to provide advisory services, each Client is required to enter into one or more agreements with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy - Breakwater will work with each Client to develop a

custom investment strategy designed in connection with the Client's investment goals and objectives.

- Asset Allocation - Breakwater will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction - Breakwater will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision - Breakwater will provide investment management and ongoing oversight of the Client's investment portfolio.

Wrap Fee Programs

Breakwater does not participate in any wrap fee program.

Types of Investments

We primarily offer advice on ETFs and Mutual Funds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Breakwater benefits financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Assets Under Management

As of August 31, 2024, we provide continuous management services for \$106,457,100 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Breakwater and the Client.

A. Fees for Advisory Services

Investment Advisory Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are charged at an annual rate of 0.50% to 1.5%, based on the market value of assets under management at the end of the prior quarter. Investment advisory fees in the first quarter of service are prorated from the inception date of the Client's account[s] to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Breakwater will be independently valued by the Custodian. Breakwater will not have the authority or responsibility to value portfolio securities. The investment advisory fee may include securities transaction fees for normal trading pursuant to the Advisor's strategies. Please see Item 5.C. below.

Breakwater will adjust the current quarter's billing amount to reflect any individual material deposits or withdrawals made during the previous quarter. Breakwater uses a \$10,000 threshold to determine if a specific deposit or withdrawal qualifies as material. Additional fees charged or rebated for material deposits or withdrawals will be determined by the dollar amount of the transaction, the fee rate, and the number of days Breakwater held the deposit or withdrawal – this is the same method used to calculate our normal quarterly fees. Breakwater does not aggregate individual deposits or withdrawals that are below the threshold amount for these billing cash-flow adjustments.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Breakwater will deduct our fee directly from your account through the qualified custodian holding your funds and securities. Breakwater will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian;
- Breakwater sends you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated; and
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

Breakwater encourages you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

You may terminate the portfolio management agreement upon 30 day written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees

Financial Planning Services

Breakwater offers financial planning as part of its investment advisory services, which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. There are no additional fees for the financial planning services requested by the Client when Breakwater is engaged to manage a Client's portfolio valued at \$250,000 or more.

When a client elects to engage Breakwater for financial planning services only, and not its investment advisory services as described above, the client can elect to be charged an hourly fee or a monthly fixed fee. Hourly engagements bill at a rate of \$400 per hour. While monthly engagements are billed at a rate between \$300 and \$1,500 per month depending on the level of complexity of the planning as well as the Client's needs.

However, at the sole discretion of the Advisor, a one-time financial planning fee can be negotiated between the Client and the Advisor for a fixed number of hours. The fee for the one-time financial plan is based on the expected number of hours to complete the engagement charged at the Advisor's hourly rate.

Breakwater has no annual minimum fee for hourly financial planning services. For full-service clients, who engage Breakwater for both its Portfolio Management and Financial Planning Services, the annual minimum fee is \$5,000. For monthly fixed fee clients, the minimum fee is \$300 per month.

All fees may be negotiable at the sole discretion of the Advisor, depending on the nature of the services to be provided. An estimate for total hours and/or costs will be determined prior to establishing a financial planning relationship.

Generally, an Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor does not receive any portion of these commissions, fees, and costs. For more information in regard to transaction fees, and other related costs and expenses incurred by the Client please see Section C below, *Other Fees and Expenses*.

B. Fee Billing

Investment Advisory Services

Investment advisory fees will be calculated by the Advisor and automatically deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Breakwater at the end of each quarter. Clients will be provided with a statement, at

least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients provide written authorization permitting Breakwater to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee.

Financial Planning Services

Financial planning fees for hourly engagements are billed after the completion of the financial plan engagement and due upon receipt of the invoice. Monthly fixed fee engagements are billed in advance of each month or 30-day period. The Advisor may invoice the Client for financial planning fees or arrange for the deduction of planning fees from the Client's account[s] at the Custodian.

However, Breakwater's financial planning fees are included with a client's investment advisory services for Clients portfolios valued at \$250,000 or more, and who have elected to retain Breakwater for financial planning and investment advisory services.

The hourly and monthly fixed fee will be disclosed to Clients prior to services being provided and will also be included in the Client agreement. An estimate of the number of hours needed to complete the requested services will also be provided to Client. If more time is needed to complete the requested services than originally estimated, Breakwater will not proceed with any additional work until we receive permission from the Client.

The fee is negotiable depending upon the complexity and scope of the plan, the Client's financial situation, Client objectives and is payable in either as invoices or in advance of services rendered as described above. Breakwater does not require Clients to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to the Client less a pro rata charge for bona fide financial planning services rendered to date. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

The hourly financial planning services we provide typically end when we present the plan to the Client, and we will not provide any additional services unless Client request us to do so, or unless Client has retained our services to provide Clients with periodic advice or asset allocation recommendations on outside accounts. You may terminate the financial planning agreement by providing a 30-day written notice to our firm. You will be charged for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. Charges are prorated based on the number of hours of services provided and/or the time and effort expended. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

C. Other Fees and Expenses

Many of the securities transactions we recommend in our Investment Advisory Services do not have a commission or transaction fee associated with trading. For example, the ETF's (exchange-traded funds) are part of Fidelity's "NTF" (no transaction fee) offerings, and can be traded without cost by both advisors and Fidelity clients not trading through an advisor. However, there may be situations when a transaction fee would be incurred. These situations include, but are not limited to, short-term trading, buying/selling securities outside of the NTF offerings, and tax loss harvesting strategies. In all of these cases, Breakwater will not absorb the transaction costs as part of our Investment Advisory Services fees.

However, Clients will be responsible for securities transaction fees for Client-directed trades if not part of Fidelity's NTF offering. For investment advisory services performed at a custodian other than Fidelity, the Client shall be responsible for all custodial and securities transactions fees charged by that custodian and/or the executing broker-dealer.

Clients may incur certain fees or charges imposed by third parties, other than Breakwater, in connection with investments made on behalf of the Client's account[s].

In addition, all fees paid to Breakwater for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client should review both the fees charged by the fund[s] and the fees charged by Breakwater to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Investment Advisory Services

Breakwater is compensated for its investment advisory services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement by providing advance written notice to the other party. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Advisor will refund any unearned, prepaid fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

E. Compensation for Sales of Securities

Breakwater does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

Breakwater does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. 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.

The fees charged by Breakwater are as described in "Item 5 - Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

Breakwater does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 Types of Clients

Breakwater offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, pension and profit sharing plans (but not the plan participants) and businesses.

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

A. Methods of Analysis

Breakwater primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Breakwater are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, Breakwater generally employs a long-term investment strategy for its Clients, consistent with their financial goals. Thus Breakwater intends to only rebalance client accounts annually unless the account are out of tolerance or if we deem that market changes warrant a rebalance and/or change in our recommended asset allocation. Our strategy is pursuant to our investment philosophy whereby we believe that trading only when necessary can lead to better client outcomes. As a result, Breakwater will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Breakwater may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Breakwater will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value.

Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. Additionally, the risk of 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. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 - Review of Accounts".

Long-Term Purchases - refers to 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. The inherent risk of using a long-term purchase strategy is based upon the general assumption that 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.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status or other factors that may affect this analysis.**

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price, or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We primarily recommend Exchanged Traded Funds ("ETFs"). However, we may advise on other types of investments as appropriate for you 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 the investment.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") 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 and ETFs 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 in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open

end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

Item 9 Disciplinary Information

There are no legal, regulatory or disciplinary events involving Breakwater or any of its employees.

Breakwater and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 282401.

In addition, Clients may also obtain information relating to the disciplinary history of any investment advisor representative conducting business in Massachusetts by contacting the Commonwealth of Massachusetts Securities Division at (617) 727-3548.

Item 10 Other Financial Industry Activities and Affiliations

The sole business of Breakwater is to provide investment advisory services to its Clients. Neither Breakwater nor its advisory personnel are involved in other business endeavors. Breakwater does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund);
3. other investment adviser or financial planner;
4. futures commission merchant, commodity pool operator, or commodity trading adviser;
5. banking or thrift institution;
6. accountant or accounting firm;
7. lawyer or law firm;
8. insurance company or agency;
9. pension consultant;
10. real estate broker or dealer; and/or
11. sponsor or syndicator of limited partnerships.

Additional Disclosure

Associated persons and/or executive officers of our firm have a private investment in the software company Knudge Inc. Knudge is a software we offer to assist us in servicing clients. Clients do not pay a separate fee for Knudge services as we pay for these services as part of our operations. Clients can choose not to utilize this services if they prefer.

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

Description of Our Code of Ethics

Breakwater strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, Breakwater maintains and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither Breakwater nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Breakwater or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Aggregated Trading

Breakwater or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither Breakwater nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

A. Recommendation of Custodian[s]

Breakwater does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize Breakwater to direct trades to the Custodian as agreed in the investment advisory agreement. Further, Breakwater does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Breakwater does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for execution and/or custodial services. Clients are not obligated to use the Custodian recommended by Breakwater and will not incur any extra fee or cost associated with using a broker-dealer/custodian not recommended by Breakwater. However, Breakwater may have limitations on its ability to deliver services to the Client if assets are placed at a custodian where Breakwater does not maintain a relationship.

Breakwater may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, the reputation of the Custodian and/or location of the Custodian's offices. Breakwater does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers. Breakwater typically recommends that Clients establish their accounts with Fidelity Clearing & Custody Solutions and related entities of Fidelity Investments, Inc. (collectively "Fidelity"), where the Advisor maintains an institutional relationship. Please see Item 14.

Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Breakwater does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian, but does receive economic benefits from Fidelity (Please see Item 14).

2. Brokerage Referrals - Breakwater does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. Directed Brokerage - All Clients are serviced on a "directed brokerage basis", where Breakwater will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian, unless otherwise directed by the Client. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e.,

purchase of a security into one Client account from another Client's account[s]). Breakwater will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

Economic Benefits

As a registered investment adviser, Breakwater has access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

B. Aggregating and Allocating Trades

We may, at our discretion, combine multiple orders for shares of the same securities purchased for advisory accounts that we manage (this practice is referred to as "block trading" or "aggregated trading"). However, we are under no obligation to do so. If we do aggregate orders, then we will distribute a portion of the shares to participating accounts in a fair and equitable manner. In the event that an order is only partially filled, then the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration the availability of advisory, institutional or retirement plan share classes, initial and ongoing share class costs, transaction costs (if any), tax implications, cost basis and other factors. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Mr. Ringer the Chief Compliance Officer of Breakwater. Formal reviews are generally conducted at semi-annually or more or less frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Breakwater if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

Breakwater provides a Quarterly Performance and Billing Report each quarter. The Client will also receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Daniel Abraham Ringer / Principal will review financial plans as needed. These reviews are provided as part of the contracted services. We do not charge additional fees for financial plan reviews, excepted for client who engaged Breakwater for hourly financial planning services. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Written updates to the financial plan may be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

A. Compensation Received by Breakwater

Breakwater does not receive securities commissions from product sponsors, broker-dealers or any unrelated third party. Breakwater may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Breakwater may receive referrals of new Clients from a third-party. However, Breakwater does not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Participation in Institutional Advisor Platform

Breakwater has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services. Additionally, the Advisor may receive the following benefits from Fidelity: financial start-up support; reimbursement to Clients for transfer costs to Fidelity; receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading

desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

B. Client Referrals from Solicitors

Breakwater does not engage paid solicitors for Client referrals.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited 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 qualified custodian. You will receive account statements from the 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. You should carefully review account statements for accuracy.

We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Wire Transfer and/or Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect wire transfers or other such transfer of funds or securities out of a client's account with the qualified custodian to any account, whether a first party or third party, to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser that has the authority to instruct the custodian to withdraw client funds or securities pursuant to a SLOA and transfer them to any other account is deemed to have access to the client's assets, and therefore has custody of the client's assets in any related accounts.

The Regulations require an investment adviser who has custody of client funds or securities to comply with the provisions Rule 206(4)-2. Accordingly, an investment adviser with custody is required to obtain an annual surprise examination or independent verification of the funds or securities (collectively, the "Independent Verification"), unless otherwise exempt or excused from that requirement.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the receiving party's name, and either the receiving party's address or the receiving party's account number at a custodian to which the transfer should be directed;
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the receiving party either on a specified schedule or from time to time;
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer;

4. The client has the ability to terminate or change the instruction to the client's qualified custodian;
5. The investment adviser has no authority or ability to designate or change the identity of the receiving party, the address, or any other information about the receiving party contained in the client's instruction;
6. The investment adviser maintains records showing that the receiving party is not a related party of the investment adviser or located at the same address as the investment adviser; and
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 Investment Discretion

Breakwater generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Breakwater. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Breakwater will be in accordance with each Client's investment objectives and goals.

Item 17 Voting Client Securities

Breakwater does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18 Financial Information

Neither Breakwater, nor its management, has any adverse financial situations that would reasonably impair the ability of Breakwater to meet all obligations to its Clients. Neither Breakwater, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Breakwater is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1200 or more for services to be performed six months or more in advance.

Item 19 Requirements for State Registered Advisors

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Information on Disciplinary History and Registration

Massachusetts Residents - Pursuant to 950 CMR12.205 (8)(d), the disciplinary history, if any, of all investment advisers and their representatives may be obtained by calling The Massachusetts Securities Division at (617) 727-3548.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.

5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.