



# Form ADV, Part 3: FAQs and Questions To Ask Your Advisor

*You are encouraged to start a conversation with your financial advisor.*

**F.L.Putnam Investment Management Company (FLP)** is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for retail investors to understand the differences. There are free, simple tools available to research firms and financial professionals at [Investor.gov/CRS](https://Investor.gov/CRS), which also provides educational materials about broker-dealers, investments advisers, and investing.

## What investment services and advice can you provide me?

- FLP offers investment advisory services to retail investors. These services include customized portfolio management, portfolio management via model manager programs that use our select strategies, portfolio management via an automated investment platform, financial planning, financial consulting, and private fund manager due diligence and monitoring.
- For customized portfolio management clients, we manage individually tailored investment accounts and monitor those accounts on a continuous basis. These services are offered as part of your standard services.
- If you select discretionary customized portfolio management, we will accept discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for your account(s) until you terminate this authority by notifying us in writing. You may impose reasonable limitations on this discretionary authority and change/amend these limitations as desired by notifying us in writing. We will exercise the discretionary authority you grant us any time we decide to change the holdings in your account in accordance with your outlined investment objectives. You make the ultimate decision regarding the purchase or sale of investments when a non-discretionary portfolio management service or portfolio consulting service is selected.
- We do not make available or offer advice with respect to proprietary products. We do not limit investment options for customized portfolio accounts but will mostly invest client accounts in equity and fixed income securities. Automated investment platform clients will be invested exclusively in exchange-traded funds (ETFs) available on the platform. Client portfolios using a model manager program have limited customization for specific financial and nonfinancial constraints, and clients using the model manager program are not able to purchase foreign securities or individual bonds as we typically purchase for our customized clients. Once subscribed, accounts are invested in the same securities that are held in the model portfolio at the same percentage levels.
- We acknowledge that our firm is a “fiduciary” with respect to a client within the meaning of that term under ERISA.
- Our minimum account size for platform discretionary investment advisory accounts is \$250,000. Our minimum relationship size for non-platform discretionary investment advisory accounts combined with financial planning services is \$500,000. Minimum account sizes and/or minimum annual fees, if any, for model manager programs vary depending on which program is selected. A minimum investment of \$5,000 is required to open an automated investment platform portfolio and we make these portfolios available only to select account types.
- More detailed information about our services can be found in our *Form ADV Part 2A*, including Items 4 and 7, which is posted on our website and on the Investment Adviser Public Disclosure website <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

## Conversation Starter

*Q: Given my financial situation, should I choose an investment advisory service? Why or why not?*

*Q: How will you choose which investments to recommend to me?*

*Q: What is your relevant experience, including licenses, education and other qualifications? What do these qualifications mean?*

## What fees will I pay?

- The specific method and amount of advisory fees charged by FLP are established in your written agreement. More detailed fee information can also be found in FLP’s Form ADV Part 2A, Item 5.
- The fee for customized portfolio management and financial planning services will be based on the amount of assets under management in accordance with the fee schedule in the box at right or as negotiated.
- Automated investment platform accounts and model manager program accounts will be charged at a flat 0.60% of assets under management by our firm. Total fees for model manager programs vary depending on the program.
- Customized portfolio management fees are typically directly debited from the designated client account quarterly in advance at the beginning of each calendar quarter based upon the value of the client’s account at the end of the previous quarter. The manner in which fees are charged and/or debited for model manager programs or automated investment platforms varies depending on the program.
- Financial planning services are based upon hourly fees (currently \$300-\$500/hour), or a fixed fee, as agreed with each client. Clients with assets under management in excess of certain thresholds can receive financial planning as part of their overall management fees.
- Consulting fees, including the Atrato Consulting Solution, are negotiated separately with each client and typically charged in advance.

Annual Fee Rate	Total Assets in Client’s Accounts
1.100%	On the first \$2 million
0.925%	On the next \$3 million
0.800%	On the next \$5 million
0.600%	On the balance

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## What fees will I pay? *Continued*

- Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that you incur. You may incur charges imposed by custodians, brokers, and other third parties such as fees charged by managers, model program sponsors, custodial fees, account maintenance fees, product-level fees, performance-based fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs also charge internal management fees or distribution fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fees.
- The more assets there are in your advisory account, the more you will pay in fees, and our firm may therefore have an incentive to encourage you to increase the assets in your account.
- You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amounts of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. More detailed information about our fees and other costs can be found in our Form ADV Part 2A, including Item 5, Item 6 and Item 12.

### CONVERSATION STARTER

*Q: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

## What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means:

- We pay referral fees to third parties for referring advisory clients to our firm. Payment of referral fees creates a conflict of interest because such referrals may not be unbiased and at least partially driven by a financial incentive.
- Certain broker dealers and/or custodians send us client referrals for compensation. Consequently, we have an incentive to recommend these broker dealers and/or custodians to our clients and utilize them for the implementation for account transactions.
- The benefits we receive through participation in programs administered by custodians/brokers selected by you, including research, may depend upon the number and size of transactions directed to, or amount of assets custodied by the custodians/brokers and may benefit you or us exclusively.
- If we recommend that a client roll over retirement plan assets into an account to be managed by us, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by us and may have other investment alternatives, including leaving the assets in the existing retirement plan.
- More detailed information about our conflicts of interest can be found in our Form ADV Part 2A, including Item 5, Item 10, Item 12 and Item 14, which is posted on our website and on the Investment Adviser Public Disclosure website <https://www.adviserinfo.sec.gov/IAPD/default.aspx>

### CONVERSATION STARTER

*Q: How might your conflicts of interest affect me, and how will you address them?*

## How do your financial professionals make money?

- Our financial professionals are compensated based on certain factors including the amount of client assets they service, the revenue the firm earns from those advisory services, and new business that they generate. Employees are eligible to receive compensation for client referrals and therefore a conflict of interest exists in making such referrals. Fees charged to clients are not increased due to the referral.

## Do you or your financial professionals have legal or disciplinary history?

No. You may visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free, simple search tool to research us and our financial professionals.

*You are encouraged to start a conversation with your financial advisor.*

*Q: Who is my primary contact person? Is he or she a representative of an investment advisor or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?*

You can find additional information about our investment advisory services in our Form ADV Part 2A, on our websites at <https://www.flputnam.com>.

You may request up-to-date information and/or a copy of our relationship summary by calling (800) 344-3435



- FLP's minimum account size for non-platform discretionary investment advisory accounts combined with financial planning services was changed to \$500,000
- We added language noting the following:
  - that more detailed fee information can be found in FLP's Form ADV Part 2A, Item 5.
  - that financial planning fees are included within a client's investment management fees where their assets under management are in excess of certain thresholds. This practice existed prior to this change.
  - that financial planning project fees can range from \$300-\$500 per hour.
  - the factors upon which our financial professionals are compensated. These factors include the amount of client assets they service, the revenue the firm earns from those advisory services, and new business that they generate.
  - employees are eligible to receive compensation for client referrals and therefore a conflict of interest exists in making such referrals. Fees charged to clients are not increased due to the referral.