



## Item 1 - Cover Page

# ADV Part 2A

&Partners

40 Burton Hills Blvd., Suite 350

Nashville, TN 37215

615-255-6431

<http://www.andpartners.com>

March 30, 2024

This Brochure provides information about the qualifications and business practices of &Partners (Formerly known as Wiley Bros. – Aintree Capital, LLC), referred to herein as (AP, the “Firm,” our, us or we). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. We use the term “FA” when referring to all individuals providing investment advice on our behalf. If you have any questions about the contents of this Brochure, please contact us at 615-255-6431. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

AP is a SEC Registered Investment Adviser (“RIA”). The registration of an RIA does not imply any level of skill or training. The oral and written communications made to you by AP, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain AP as your RIA.

Additional information about AP is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with, registered, and required to be registered, as FAs of AP.

## Item 2 - Material Changes

There have been material and minor changes to the Firm's Form ADV and ADV Part 2A Brochure since the last update dated August 29, 2023. The material changes are as follows:

- 1.) The only cash sweep option available through &Partners accounts held with NFS is the bank-deposit sweep vehicle. Free credit balances in non-retirement accounts that have elected to opt-out of the BDSP will be held in free credit balances (not swept) that do not generate any interest or return on the balance. Retirement accounts do not have the ability to opt-out of the bank deposit sweep, as retirement account assets may not be held in free-credit balances
- 2.) For &Partners accounts custodied at Pershing, LLC delivery of documents pertaining to your account are assessed new fees: Paper Subscription Fee of \$2 per account per month for paper delivery of documents including but not limited to statements and confirms. An additional \$10 annual fee is applied for delivery of Paper Tax Documents. An account must be *fully* enrolled in eDelivery for all eligible mailing types on the last business day of the month in order to be exempt from the fee. Any accounts that are partially enrolled in eDelivery will be assessed the full monthly paper subscription fee.
- 3.) Certain programs at Envestnet require a minimum 2% cash balance which is held in free credit or invested in BDSP. Additionally, AP receives a financial benefit from such balances.
- 4.) AP directly and indirectly provides compensation to employees that is specifically related to obtaining clients for the Firm.

Our Brochure may be requested by sending a written request to 40 Burton Hills Blvd Ste. 350 Nashville, TN 37215 or by contacting our office at 615-255-6431. It is also available, free of charge, on our website <http://www.andpartners.com>. You can obtain additional information about us at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 3 - Table of Contents

### Contents

<b>Item 1 - Cover Page.....</b>	<b>1</b>
<b>Item 2 - Material Changes.....</b>	<b>2</b>
<b>Item 3 - Table of Contents.....</b>	<b>3</b>
<b>Item 4 - Advisory Business .....</b>	<b>7</b>
<b>Ownership.....</b>	<b>7</b>
<b>Regulatory Assets Under Management .....</b>	<b>7</b>
<b>Investment Products .....</b>	<b>7</b>
<b>Advisory Programs .....</b>	<b>7</b>
Portfolio Manager Selection .....	7
1.) Discretionary Advisory Program.....	9
2.) Non-Discretionary Advisory Program.....	9
3.) &Partners Advisory Program .....	9
4.) Managed Account Command Program (Command/Lockwood).....	9
5.) 1042 Consulting.....	10
6.) Third Party Advisor (“TPA”) Investment Management Program.....	10
Participating Managers .....	11
Third Party Portfolio Manager Selection.....	11
Performance Review.....	12
Information about Fees .....	12
Advisory Representative Disclosure .....	12
<b>Other Advisory Services.....</b>	<b>12</b>
Overview.....	12
Furnishing Advice Not Involving Securities.....	13
Financial Planning.....	13
ERISA 3(21) Investment Adviser Services .....	13
Retirement Plan Educational Consulting Services .....	13
Research Report Services .....	14
Publication of Newsletters or Periodicals.....	14
Retirement Plan Participant Discretionary Account Management .....	14
Educational Seminars .....	15
Investment Objectives .....	15
Termination.....	15
Education.....	15
<b>Item 5 - Fees and Compensation.....</b>	<b>15</b>

Fee Types .....	15
Fee Schedule .....	15
General Information .....	18
Advisory Fee Computation .....	18
Employee Accounts and Pro Bono Accounts .....	19
Mutual Funds .....	19
Transaction Costs and Fees .....	19
Fee Disclosures .....	19
Sweep Program .....	20
FDIC Insured Deposit Program (BDSP) .....	20
Bank Deposit Sweep Program - BDSP .....	20
Money Market Mutual Funds .....	21
Material Conflicts of Interest Related to the Sweep Program .....	21
Conflicts of Interest .....	22
<b>Item 6 - Performance-Based Fees and Side-By-Side Management.....</b>	<b>22</b>
Overview .....	22
Side-By-Side Management .....	22
<b>Item 7 - Types of Clients.....</b>	<b>23</b>
<b>Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>23</b>
<b>Analysis Methods .....</b>	<b>23</b>
Fundamental .....	23
Technical .....	23
Quantitative .....	23
<b>Sources of Information .....</b>	<b>24</b>
<b>Investment Strategies.....</b>	<b>24</b>
<b>Investment Strategy Risks.....</b>	<b>24</b>
General Risks .....	24
Liquidity .....	24
Cash and Cash Equivalents .....	24
Leverage .....	25
Interest Rate Fluctuation .....	25
<b>Long term Purchases (securities held at least a year) .....</b>	<b>25</b>
Liquidity .....	25
<b>Short term purchases (securities sold within a year) and Trading (securities sold within 30 days) .....</b>	<b>25</b>
Market Risks .....	25
Trading is Speculative .....	26
Options and Other Derivatives .....	26
Uncovered Risks .....	26
Utilization of Alternative Investments .....	26

<b>Item 9 - Disciplinary Information .....</b>	<b>27</b>
<b>Item 10 - Other Financial Industry Activities and Affiliations .....</b>	<b>27</b>
Broker Dealer .....	27
Investment Banking.....	28
Municipal Advisor / Underwriter.....	28
Insurance .....	28
Other Financial Industry Activities or Affiliations .....	28
Other Activities .....	29
<b>Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>29</b>
<b>Item 12 - Brokerage Practices.....</b>	<b>29</b>
General.....	30
Trading Practices .....	30
Best Execution .....	30
Batched Trades.....	30
Trade Error.....	31
Directed Brokerage .....	31
Cross-Trade Transactions.....	32
Soft Dollar Arrangements .....	32
Brokerage for Client Referrals .....	32
Research.....	32
<b>Item 13 - Review of Accounts.....</b>	<b>32</b>
<b>Item 14 - Client Referrals and Other Compensation .....</b>	<b>33</b>
Referral Activities .....	33
Other Compensation.....	34
Cash and Sweep Programs.....	34
Margin Loans and Non Purpose Loans.....	34
Transaction Flow .....	35
Payment for Order Flow .....	35
<b>Item 15 – Custody .....</b>	<b>35</b>
Advisory Fees.....	36
Standing Instructions.....	36
Service as Trustee/Executor/POA.....	36
<b>Item 16 - Investment Discretion.....</b>	<b>36</b>

<b>Item 17 - Voting Client Securities.....</b>	<b>36</b>
<b>Item 18 - Financial Information .....</b>	<b>37</b>
<b>Item 19 - Other Information .....</b>	<b>37</b>
<b>Business Continuity Plan.....</b>	<b>37</b>
<b>Varying Disruptions.....</b>	<b>37</b>
<b>Contact Information .....</b>	<b>37</b>
<b>Privacy Policy .....</b>	<b>38</b>

## **Item 4 - Advisory Business**

### ***Ownership***

The owner of AP is Ampersand Partners LLC. No owner represents more than 10% ownership of the LLC.

### ***Regulatory Assets Under Management***

As of December 31, 2023

AP client assets managed on a discretionary basis - \$1,074,133,982.90

AP client assets managed on a non-discretionary basis - \$98,926,427.58

### ***Investment Products***

When acting as a portfolio manager, FAs of AP will use discretion to purchase or recommend various investments to clients based upon a review of each client's investment needs. Depending on client's needs, these investments may include, but are not limited to:

- Equity Securities (exchange-listed, over the counter, foreign issuers)
- Warrants
- Corporate Debt Securities (including Floating Rate Notes)
- Commercial Paper
- Certificates of Deposits
- Municipal Securities
- Investment Company Securities (Variable Life Insurance, Variable Annuities, Mutual Fund Shares)
- United States Government Securities
- Option Contracts on Securities
- Interests in Partnerships investing in real estate, oil and gas, and others
- Exchange Traded Funds and Exchange Traded Notes
- Financial Assets other than stocks, bonds, or cash – which may be liquid or illiquid and registered or not registered with the SEC.
- Unit Investment Trusts

### ***Advisory Programs***

#### **Portfolio Manager Selection**

AP offers investment management of customer securities assets through various types of advisory programs summarized below. AP sponsors the investment advisory programs set forth below to address the investment needs of its clients. Clients have the option to select an FA of AP to manage client's account(s) ("Account") on a discretionary or non-discretionary basis or to have FA recommend third party money managers ("TPAs") to help construct portfolios or to conduct day-to-day management. Clients may choose a TPA for which AP has performed due diligence, or they may select a TPA not reviewed by AP.

Depending on the services chosen, the various advisory programs described below will, in some cases, cost the client more than if they separately purchased advisory services outside of a particular program, paid for transaction execution services or paid for third party investment management outside of the programs described below. The factors that can bear upon the relative cost of the service or program include the cost of the services if provided separately, the trading activity in the client's account based upon client's investment objectives or FA's portfolio management strategy and program selected and type of securities in which the client's Account is invested.

AP believes that each of our Clients has unique investment management and desired service needs from their FA. Given the independent financial professional business structure of our network, we also believe that our FAs are best positioned to understand the unique needs of their respective client bases.

Prior to establishing an Account, clients should consider the associated fees and expenses associated with that Account (together, "Program Fees") which will be detailed in writing in the Client's Agreement(s). When considering a potential advisory fee proposal, Clients should carefully consider and negotiate with their FA relative to a range of factors, including but not limited to:

- a) the level of assets the Client intends to maintain under management in the Program;
- b) the overall business relationship and level of business and accounts the Client maintains with AP and the FA for investment advisory, brokerage, or other services, both as part of and outside of the Program;
- c) the complexity of assets, investment management styles and strategies the Client desires the FA to provide in managing the Account;
- d) the desired level of interaction the Client expects to have with the FA with respect to the Account, as higher levels of interaction may cause an FA to seek to increase the overall advisory fee;
- e) AP's Form ADV Part 2A – Disclosure Brochure and the FA's brochure supplement; and
- f) any other factors or considerations the Client considers important or unique to the Client in determining a Program Fee which the Client would deem acceptable and appropriate for the Client's needs and investment objectives.

When a client opens an Account managed at Pershing, LLC ("Pershing"), and when agreed to in the client agreement, AP will charge a transaction fee / commission, in addition to the annual advisory fee some of which is utilized, to cover brokerage charges incurred by AP and assessed to the FA. When a client opens an Account managed at National Financial Services, LLC ("NFS"), such fees will not be charged. These fees create conflicts of interest as these fees reduce the expenses otherwise incurred by AP or FA related to client accounts. The Firm addresses these conflicts through maintenance of its Code of Ethics ("COE"), this disclosure to you, and supervision of the suitability of account type recommendations. The Firm also monitors the activities of FAs to confirm that the portfolio holdings are consistent with the investment objectives of the client and that the FA's trading activity is consistent with his other fiduciary duty to the client.



### ***1.) Discretionary Advisory Program***

AP offers discretionary investment advisory services to its clients through its Investment Advisory Services Program (“Discretionary Advisory Program”). Through the Discretionary Advisory Program, the FA manages the investment and reinvestment of the client’s portfolio assets on a discretionary basis at Pershing. When granting discretionary authority, AP and client’s FA are authorized to place trades in client’s account without getting client consent prior to each trade. Client will open a brokerage account at Pershing for management of assets. FA will obtain a New Customer Account Agreement Form (“Agreement”) from each client in order to determine how to advise clients on the assets in the account. Also, FA will use the objectives and risk tolerance in Agreement to place trades consistent with client’s objectives and risk tolerance for the account. An FA will also, when agreed with client, recommend asset allocation targets to clients.

### ***2.) Non-Discretionary Advisory Program***

AP offers non-discretionary investment advisory services to its clients through its Investment Advisory Services Program (“Non-Discretionary Advisory Program”). Through the Non- Discretionary Advisory Program, AP manages the investment and reinvestment of the clients’ portfolio assets on a non-discretionary basis at Pershing and obtains consent from the client before placing each trade. Client will open a brokerage account at Pershing for management of assets. AP will obtain an Agreement from each client in order to determine how to advise clients on the assets in the account. An FA will also, when agreed with the client, recommend asset allocation targets to clients.

### ***3.) &Partners Advisory Program***

&Partners Program combines Envestnet’s trading and management platform, and a customized selection of portfolios and strategists within an NFS brokerage account to provide clients an integrated advisory experience. Envestnet’s portfolio construction and monitoring technology works alongside the NFS brokerage platform to deliver customized investment options with ongoing feedback to the FA of needed adjustments. At client’s election, this program is available with either Discretionary or Non-Discretionary trading authority provided to AP and client’s FA. As part of account opening, FA will collect and memorialize client objectives for client’s account(s). By helping to assure portfolios are aligned to client goals and then efficiently monitored to remain on target, AP and FAs can react if a client’s portfolio deviates from client’s goals. Depending on options chosen in this program, fees will vary and Envestnet will operate as a platform administrator, co-advisor or sub-advisor. Envestnet maintains recommended account minimums, fee minimums, and fee ranges. Please review with your FA other options prior to using this program outside of those ranges. Please see the Envestnet’s ADV Part II Brochure, and account application for further details. If you have trouble accessing your copy of the ADV, please contact us in writing.

### ***4.) Managed Account Command Program (Command/Lockwood)***

AP offers investment advisory services to some of its clients through a managed account program referred to as the Managed Account Command Program. An FA will assist the client in determining the suitability of the program for the client and then assist in determining the most suitable investment management firm, within the program, for the client. The FA is compensated through a comprehensive advisory fee, up to 2% annually. From this fee, Lockwood platform charges and manager charges are deducted, both of which vary based on the

amount of assets under management and each individual investment manager and strategy. For more information on these costs, please contact your FA.

The account will be assessed other charges associated with conducting a brokerage business, including charges imposed by third parties. Please refer to Fee Schedule in Item 5 – Fees and Compensation for additional information concerning these charges.

### ***5.) 1042 Consulting***

AP offers discretionary investment advisory services for some of its clients who desire assistance with establishing a strategy and executing that strategy relating to the acquisition and management of an investment portfolio of Qualified Replacement Property (QRP) in accordance with Internal Revenue Code Section 1042. AP assists clients seeking such a strategy to identify and purchase qualifying securities, determine if financing is needed for purchasing QRP, provide ancillary services, such as coordinating and negotiating with various financial and investment firms and other third parties in connection with the acquisition of QRP, and to prepare statements of purchases and summary reconciliations to assist clients with administrative requirements.

With respect to the 1042 Consulting program, AP charges a fee for the services plus brokerage commissions if a securities brokerage account is established by the client with AP. If a brokerage account is established it will be assessed other charges associated with conducting a brokerage business, including charges imposed by third parties. Please refer to Fee Schedule in Item 5 – Fees and Compensation for additional information concerning these charges.

### ***6.) Third Party Advisor (“TPA”) Investment Management Program***

AP offers client access to TPAs for the discretionary investment management of client Accounts and assets for which Clients enter into advisory agreements with AP and with third party RIAs or sub-advisors (“Investment Managers”) to offer the investment management and advisory services to clients of AP. Under these agreements, FA works with the client to review and select the best Investment Managers for client’s situation and assists client with associated onboarding and maintenance paperwork. AP and FA are compensated through an advisory fee of up to 2% annually.

For all TPA programs other than &Partners Advisory Program, AP’s advisory fee is paid separately and then the applicable Investment Manager(s) sends an invoice for its/their fee as detailed in client agreement. For &Partners Advisory Program, a combined fee is charged that varies based on options chosen and covers Envestnet Platform Fees, Advisory Fees and other fees as noted in client agreement and Envestnet’s ADV II Brochure.

AP performs due diligence reviews on the Investment Managers as discussed in detail further in this brochure. Additional information regarding these advisory arrangements will be disclosed at or before the time the clients execute Client Agreements by delivery of the Form CRS and Form ADV Part 2A for AP and Form CRS and ADV Part 2A for the respective Investment Manager, who is responsible for delivering their own Form CRS and ADV Part 2A to the Client. If Client does not receive Form CRS and/or ADV Part 2A from the Investment Manager, they may request, in writing, that AP provide one to them.

In some cases, AP and its representatives have and will provide broker-dealer or investment services to the Investment Managers or their clients, including but not limited to executing trades of stocks and bonds for accounts not associated with the other TPA Programs, for which both AP and the Investment Manager are compensated. **Please note that payment of such compensation to us and our FAs creates a conflict of interest and may provide an incentive for us to recommend Investment Managers who obtain additional**

**investment services or recommend that their clients obtain such services from us. Although we and our FAs commit to acting in your best interests, the existence of such compensation could encourage us to make an unnecessary referral or cause us to withhold information about an alternate option that doesn't provide equivalent compensation.** We address this conflict by requiring any FA making such a referral to complete a Subadvisor Suitability Statement, and by maintenance of our Code of Ethics.

Under this advisory program, and when agreed to in the client agreement, AP will charge a transaction fee / commission, in addition to the annual advisory fee, some of which is utilized to cover brokerage charges incurred by AP and assessed to the FA. Depending on activity in account, the account will be assessed other charges associated with conducting a brokerage business, including charges imposed by third parties. Please refer to Fee Schedule in Item 5 – Fees and Compensation. for additional information concerning these charges.

### **Participating Managers**

- 1.) *InterOcean Capital, LLC (“IOC”)*, is a RIA who participates in the TPA Program. IOC receives a fee and AP receives a fee. The cost of brokerage commissions or fees on transactions executed with and away from AP shall be borne by the client. Client is referred to IOC's Form CRS and Form ADV Part 2A for a complete discussion and disclosure regarding its programs and fees.
- 2.) *Delta Asset Management (“DAM”)*, is a RIA who participates in the TPA Program. DAM receives a fee and AP receives a fee. The cost of brokerage commissions or fees on transactions executed with and away from AP shall be borne by the client. Client is referred to DAM's Form CRS and Form ADV Part 2A for a complete discussion and disclosure regarding its programs and fees.
- 3.) *Green Harvest Asset Management, LLC (“GH”)*, is a RIA who participates in the TPA Program. GH receives a fee and AP receives a fee. The cost of custodial services, brokerage commissions or fees on transactions executed with and away from AP will be borne by the client. Client is referred to their Custody Agreement and GH's Form CRS and Form ADV Part 2A for a complete discussion and disclosure regarding its programs and fees.

From time to time, when requested by FAs, AP may recommend other third-party Investment Managers to its clients in addition to those described above.

### **Third Party Portfolio Manager Selection**

Investment Managers are generally selected utilizing one of three standards or methodologies. First is through manager recommendations from trusted industry professionals for different asset models/investment styles in line with client objectives and goals.

Second is done by screening various managers with whom our FAs are familiar. The managers are analyzed based on various characteristics, including, but not limited to, investment style, performance and risk. Due diligence information is gathered and reviewed.

The third methodology is through the utilization of other due diligence and manager selection platforms that are provided by third party service providers, including but not limited to Lockwood, Envestnet and iCapital. For complete details regarding the investment philosophy, due diligence program and methodology used by these firms, you should refer to Form ADV and/or other disclosure documentation which is made available by the respective firm or inquire with your FA.

All third-party managers are subject to annual due diligence reviews by AP or a manager selection platform for which information is collected on the respective Investment Managers. Other than the

diligence steps described above, we assume no responsibility for the selection of the Investment Manager or the suitability of the recommendations or trades made by any Investment Manager. Where we have outsourced due diligence efforts to a third party, we in turn conduct due diligence initially and annually on the services provided by that third party.

### **Performance Review**

Neither AP nor any third-party reviews the portfolio and/or Investment Manager performance information to determine or verify its accuracy or its compliance with presentation standards. Additionally, you should be aware that performance information may not be calculated on a uniform and consistent basis.

### **Information about Fees**

AP will generally assess advisory clients a negotiable fee that may consist of one or more of the following:

1.) an Advisory Fee, based on a specified percentage of the client's assets under management; 2.) transaction fees / commission, currently only for Pershing accounts, which depending on the program selected are in addition to the annual Advisory Fee, some of which is utilized to cover brokerage charges incurred by AP and assessed to the FA.

### **Advisory Representative Disclosure**

AP shares the compensation it receives from client participation in the programs described in this Brochure with the FA who recommends the advisory program to the client and/or provides ongoing services within the program. The amount of this compensation is generally more than what the FA would receive if the client participated in our other programs or paid separately for investment advice, brokerage, and other services. Therefore, FAs have a financial incentive to recommend the advisory program over other programs or services. However, AP attempts to mitigate this conflict of interest through periodic reviews of advisory accounts to confirm compliance with applicable laws and AP's internal policies and procedures. FAs are required to complete a suitability form which details the additional services and attention which is given to an account over and above any transactions.

## ***Other Advisory Services***

### **Overview**

In addition to the investment management advisory services described above, AP also offers the following advisory services through FAs when selected by the client:

- Furnishing Advice Not Involving Securities
- Financial Planning
- ERISA 3(21) Investment Adviser Services
- Retirement Plan Educational Consulting Services
- Retirement Plan Participant Discretionary Account Management

- Research Report Services
- Publication of Newsletters or Periodicals
- Educational Seminars
- Consulting

### **Furnishing Advice Not Involving Securities**

AP's financial planning services described above may include advice to individual clients relating to non-securities matters such as savings plans, spending habits, etc...

### **Financial Planning**

AP also offers financial advisory services to clients, including general financial planning and investment planning on a negotiable flat fee basis.

### **ERISA 3(21) Investment Adviser Services**

AP offers non-discretionary "investment advice" within the meaning of ERISA 3(21). Such services include but are not limited to analysis and advice to the plan sponsor of its ERISA plan clients, but AP is not responsible for the investment management of any ERISA plan investment assets, and does not have investment discretion with respect to these accounts. We refer to our services as ERISA 3(21) Investment Adviser Services. AP tailors the ERISA 3(21) Investment Adviser Services to the specific services requested by an ERISA plan sponsor. At client's request these services may be comprised of various non-discretionary investment advisory services, which may include but are not limited to any or all of the following services:

- Providing investment education and educational materials;
- Assisting Plan Sponsor with meeting "broad range of investment alternatives" requirement under ERISA Section 404(c);
- Performance Monitoring of assets, selected by Plan Sponsor and offered to Plan Participants;
- Assisting Plan Sponsor in the event the Sponsor chooses to make a change to recordkeeper; or
- Participant Education Meetings with Plan Sponsor.
- Investment Assessment and Recommendations in accordance with Client Agreement

### **Retirement Plan Educational Consulting Services**

AP offers non-3(21) services to provide information and educational materials to eligible participants of Retirement Plans. These services are not considered to be the rendering of investment advice for a fee for purposes of the Investment Advisors Act of 1940 or ERISA section 3(21)(A)(ii) as explained in U.S. Department of Labor Interpretive Bulletin 96-1 nor the Investment Advisors Act of 1940 and AP nor any of its FAs are considered a fiduciary of such Plans under ERISA 3(21) when providing these services. At client's request, these services may be comprised of various non-discretionary investment advisory services, which can include but are not limited to any or all of the following services:

- Providing investment education and educational materials;
- Performance Reporting on assets, selected by Plan Sponsor and offered to Plan Participants;
- Assisting Plan Sponsor in the event the Sponsor chooses to make a change to recordkeeper; or
- Participant Education Meetings with Plan Sponsor.

### **Research Report Services**

A related person of AP prepares a weekly market commentary and generally charges a fee of \$500.00 a month for this service. This report is technical in nature.

### **Publication of Newsletters or Periodicals**

Related persons of AP prepare newsletters which are mailed periodically to clients and prospective clients. A variety of financial planning topics may be covered within these newsletters.

### **Retirement Plan Participant Discretionary Account Management**

We provide an additional service for employer-sponsored retirement accounts not directly held in our custody, but where we can leverage a third party – Pontera – to allow us to trade in the account on behalf of a client. When the client elects this program, client will grant AP discretionary authority to manage client's account through Pontera's administration system. Client provides client's account credentials to Pontera to enable this trading. In this program, the FA collects information on client's goals and objectives for client's account as the basis for ongoing management. AP may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary.

In this program client will pay a negotiated annual management fee which includes the advisory fee which is shared between FA and AP and the fee charged (0.3% of client's AUM) for Pontera's services. This fee will be assessed and billed quarterly. Specifically, the exact amount charged is determined by the daily average account value over the course of the quarter. The current exception for this is directly-managed held-away accounts, which are determined by the account value at the end of the quarter. In either case, if AP only manages your assets for part of a quarter, the charge will be prorated. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in client's advisory agreement and applying the fee to the daily average of the account value or the account value as of the last day of the previous quarter (per the paragraph above), resulting in a combined weighted fee. Investment management fees are generally directly debited on a pro rata basis from client accounts. The exception for this is directly-managed held-away accounts, such as 401(k)'s. Those fees will be assigned to a different account of client's choosing or billed directly to client. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period.

We are not affiliated with Pontera in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing client to connect an account(s) to the platform. Once Client account(s) is connected to the platform, FA will review the current account allocations. When deemed necessary, FA will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

### **Educational Seminars**

Related persons of AP hold Educational Seminars, several times per year. Topics presented in each seminar include Retirement Planning, Estate Planning, and General Market Overview.

### **Investment Objectives**

The clients' investment objectives are initially determined based on financial information furnished by the clients, together in consultation between the clients and the applicable FA. Copies of the financial information and the investment objectives are furnished to any selected third-party investment managers if requested, in writing, by the client.

### **Termination**

Generally, the relationship between AP and its clients can be terminated by either party upon 30 days written notice.

### **Education**

Our FAs are expected to have education and/or business backgrounds that enable them to perform their respective responsibilities effectively. In associating with each FA, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. Client is encouraged to review FA's Form ADV Part 2B Brochure Supplement for additional information on each FA.

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

### **Fee Types**

Based on the services offered, client is assessed fees and we are compensated for investment services by the following means:

- A percentage of Assets under Management
- Hourly charges
- Subscription fees
- Fixed fees (other than subscription fees)
- Commissions
- Transaction Fees
- 12b-1 Fees and other fees paid by third parties to AP

### **Fee Schedule**

Although many fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below. Please note that the fees described herein may not be assessed at other Firms. If other Firms do implement similar fees, such fees may be assessed at a lower cost to the client.

Fee Type	Fee Cost	Fee Charged
Advisory Fee	The client shall pay an annual advisory fee based on a percentage of assets under management, to be capped at 2.0%. Other fees associated with conducting brokerage business may also be charged. (see Transaction Costs and Fees, etc... and Third Party Fees below)	Generally, paid in advance or arrears on a monthly or quarterly basis, depending on program chosen, as agreed to by Client and AP
Financial Planning Fee	These services are billed at a fixed fee as agreed upon with client. AP may waive its fee in its sole discretion. An initial negotiable deposit may be required upon the engagement by the advisory client. The remaining fee is payable upon delivery of the financial plan to client.	As agreed to by Client and AP
1042 Consulting Fee	These services are billed a fee as agreed upon with client. In addition, brokerage commissions may be charged in the event the client establishes a brokerage account with AP to purchase securities. Additional fees associated with an account opened with AP are detailed below. (see Transaction Costs and Fees, etc... and Third Party Fees below)	As agreed to by Client and AP
Retirement Plan Participant Discretionary Management	A combined fee not to exceed 2.0% is charged for this service inclusive of the 0.3% which is paid to Pontera. The fees are calculated based on daily account value or ending period value, and paid in arrears as described in this brochure.	Paid in arrears quarterly as agreed to by Client and AP
ERISA 3(21) Investment Adviser Fee and Educational Consulting Fees	The fees paid are in an amount not to exceed 2.0%. The fee is generally calculated by multiplying the market value of the plan assets as of the last day of the preceding quarter. The fees for this service are generally paid to AP by the plan sponsor quarterly in advance.	As agreed to by Client and AP
Consulting	Negotiated flat fee or asset-based fee	Paid as negotiated and agreed to by Client
Brokerage Fees	See Item 14 - Client Referrals and Other Compensation for information regarding brokerage fees.	Additional details available upon written request



<p>Transaction Costs and Fees, Service Charges and Fees Third Party transaction and clearing, other Direct Out-of-Pocket Costs incurred as a result of AP providing services in accordance with Client Agreements</p>	<p>In addition to an annual advisory fee, when elected by client in Pershing accounts, transaction fees/commissions may be paid in an amount up to \$0.06/share with a \$45 minimum for equity transactions and/or up to \$90 per transaction. Additionally, in some cases for both Pershing and NFS accounts, bonds are purchased as principal with a mark-up, in which case written disclosure is made and client consent is obtained prior to the transaction. Bonds are primarily purchased on an agency basis and may charge a commission if disclosed and agreed to by client. A general range is provided for transaction fees as fees may vary from client to client due to the particular circumstances of the client, additional or differing levels of servicing, or as otherwise contractually agreed upon with specific clients. AP will receive transaction-based compensation from clients from such transactions. AP charges \$6.85, within Pershing accounts, for each transaction, as a service charge. Additionally, Pershing charges advisory clients a Paper Subscription Fee of \$2 per account per month for paper delivery of documents including but not limited to statements and confirms. An additional \$10 annual fee is applied for delivery of Paper Tax Documents. An account must be fully enrolled in eDelivery for all eligible mailing types on the last business day of the month in order to be exempt from the fee. Any accounts that are partially enrolled in eDelivery will be assessed the full monthly paper subscription fee. These charges for mailed account documentation is not reflective of actual postage costs and incorporates extra expense intended to offset the added burden of mailing paper documents as compared to sending them electronically. Purchase and redemptions of certain mutual funds will incur an additional service/surcharge charge of \$10/transaction. Pershing also charges \$8 per mutual fund exchange/conversion.</p>	<p>As Agreed to by Client and contemporaneously at time of trade or incurrence of Cost by AP. Please contact us in writing for further details which can also be found on our website, for Fidelity accounts and in Client Agreements for Pershing accounts</p>
<p>Third Party Fees incurred in the course of AP providing services in accordance with Client Agreements</p>	<p>Transfer taxes or other charges mandated by law will be separately charged to the client's account. AP will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by AP in providing its investment advisory services to clients. Including but not limited to Black Diamond Performance Reporting fees, mutual fund surcharge fees in connection with purchase of certain share classes which may appear as a service charge; reorganization fees, clearing costs, other out-of-pocket expenses incurred by AP, 12b-1 distribution fees, servicing fees, sub-accounting fees, management fees, expense risk, administration fees, contingent deferred sales charges (CDSC charges) that are incurred even if the shares are converted to a different share class rather than sold within a particular period of time, and surcharge fees /service charges in connection with mutual fund purchases and redemptions.</p>	<p>Contemporaneously at time of trade or incurrence of cost by AP. Please contact us in writing for further details which can also be found on our website, for Fidelity accounts and in Client Agreements for Pershing accounts.</p>

## **General Information**

Certain investment advisory contracts have initial terms of one year and are automatically renewed for an unlimited number of one-year terms. However, all investment advisory contracts may be terminated with 30 days written notice by either party.

## **Advisory Fee Computation**

For Accounts using Envestnet, please see Envestnet's Terms and Conditions and AP Client Agreement regarding fee calculation. Otherwise, AP's Advisory Fees are generally payable monthly or quarterly, in advance or arrears, depending on the program chosen and shall be calculated by multiplying the value of the assets under management by the appropriate annual fee rate set forth in the Fee Schedule. Generally, the monthly payment will be calculated by multiplying the value of the account shown on the last monthly statement by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of days in that month. Generally, for billing in advance, the quarterly payment will be calculated by multiplying the value of the account shown on the last monthly statement for the preceding calendar quarter by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of days in that quarter. For billing in arrears, the monthly or quarterly payment will be calculated by multiplying the value of the assets in the Account(s) as of the last day of the calendar quarter or month by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of days in that month or quarter. However, if the account(s) also uses Black Diamond Performance Reporting for billing purposes, the quarterly payment is generally calculated by multiplying the value of the assets in the Client Account(s) as of the last day of the preceding calendar quarter by the Annual Percentage Fee. That amount is then divided by four (4) to compute the quarterly payment. In either case, the fees shall generally be payable in advance and such fees are generally deducted from client's account(s) quarterly or as appropriate within thirty (30) days from the beginning of the quarter for which said fees will be incurred. Similarly, if the account(s) uses Black Diamond Performance Reporting for billing, the monthly payment will be calculated by multiplying the value of the assets in the Client Account(s) as of the last day of the preceding calendar month by the Annual Percentage Fee. That amount is then divided by twelve (12) to compute the monthly payment.

Accounts opened in mid-quarter or mid-month will be assessed a pro-rated management fee. In this case, the market value of the assets under management shall be based on the market value of account assets on the effective date of the agreement. If the account has not been funded on the effective date, the initial prorated billing amount will be manually calculated based on the market value once the account is funded. For accounts using Envestnet services, please reference their ADV and Terms and Conditions as well as AP's Client Agreement for billing process. For all accounts billing in advance, pro-rated refunds will not be provided to clients who withdraw funds during the billing period; however deposits of cash or securities into an account during the billing period will be assessed a pro-rated monthly or quarterly fee in the month they are deposited for the remaining days in the billing period. Upon termination of a customer's account, a pro-rated Advisory Fee is returned to the account for the portion of the period remaining between the effective date of termination and the end of the billing period. While the annual fee for AP's services and the services of the FA is generally computed and paid in advance on a monthly or quarterly basis, at the direction of client, it may be computed and paid in arrears and/or on an annual basis.

### **Employee Accounts and Pro Bono Accounts**

With regard to employee and/or employee-related accounts and certain other accounts, the quarterly fees are generally less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee. Advisory fees for accounts may be waived at the discretion of the FA for reasons which may include but not be limited to familial relationships and accounts within a household.

### **Mutual Funds**

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual Advisory Fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including 12b-1 fees and expenses. Generally, it is the Firm's policy that 12b-1 fees and other revenue beyond the advisory fee not be paid to the FA or to the Firm and that if they are paid to the aforementioned parties, they be credited to the Client account.

In some, circumstances, the Firm and or the FA receive 12b-1 fees, but receipt of such fees will require disclosing this conflict of interest on Client Agreements. Client is advised that, in addition to the annual Advisory Fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear such expense. Mutual Fund and ETF securities carry inherent costs and expenses for operating, redemption, and management. They may also be subject to contingent deferred sales charges (CDSC charges) that are incurred even if the shares are converted to a different share class rather than sold within a particular period of time. The most suitable share class may not be the lowest priced share class, depending upon a particular Client's situation. The Clearing Firm, in most cases Pershing or NFS, assesses to clients a mutual fund surcharge/service charge in connection with purchases and redemptions depending on the share class used. Certain share classes do not have surcharge/service charge, but will pay to Fidelity and Pershing a fee which is shared with AP and creates a conflict of interest and dual layer of fees which will be captured by AP as it relates to these mutual funds in your advisory account. Additionally, the underlying mutual funds also assess charges to the client. Please contact us in writing to request additional information on these fees.

Firm procedures contain a process by which mutual fund share classes available for advisory clients are periodically reviewed. Different classes of mutual fund investments assess different fees. As a fiduciary, AP and the Portfolio Managers advise Clients as to the most suitable share class for a particular Client and use the most suitable share class when exercising discretion, but the most suitable share class may not be the lowest priced share class, depending upon a particular Client's situation. However, we generally will not recommend or use discretion to purchase any share class that pays a 12b-1 fee.

### **Transaction Costs and Fees**

When agreed to in the Client Agreement for a Pershing account, a client will be charged commission in the form of a cents per share and/or a transaction fee, in addition to the annual advisory fee and service charge, some of which is utilized to cover brokerage charges assessed to the FA. Mutual Fund exchanges and conversions are assessed a fee as well. Please refer to the table in Item #5 above, or contact AP, in writing, for more information on these transaction charges.

### **Fee Disclosures**

Fees are generally negotiable at the discretion of the FA, which may result in different fees being charged

for accounts similar in makeup and objectives. Consideration may be given to other accounts related to, or affiliated with the client, which can result in lower fees being charged for accounts similar in makeup and objectives. Based upon your investment portfolio and investment strategy implemented, the costs associated with an advisory account can exceed the commissions you would pay for brokerage services only.

### **Sweep Program**

When your Account is maintained at NFS and you have not opted out, your free credit balance will be automatically deposited or “swept” to a deposit account at one or more banks whose deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation (“FDIC”) (the “Sweep Program”).

Under the Sweep Program, AP maintains one FDIC-insured deposit program, the Bank Deposit Sweep Program (“BDSP”), that creates financial benefits for AP as described below. For certain Account types at Pershing, unless you opt out or select a different option, free credit balances are swept to a money market mutual fund product (the “Money Market Mutual Fund Program”), that creates financial benefits for AP as described, below. Please read and review the BDSP Terms and Conditions document, available from the website listed below or upon your written request, for full details about the Sweep Program. For Money Market Mutual Fund Program Sweep options available through Pershing, please consult your New Client Account Agreement for more details.

The only cash sweep option available through &Partners accounts held with NFS is the bank-deposit sweep vehicle. Free credit balances in non-retirement accounts that have elected to opt-out of the BDSP will be held in free credit balances (not swept) that do not generate any interest or return on the balance. Retirement accounts do not have the ability to opt-out of the bank deposit sweep, as retirement account assets may not be held in free-credit balances. You must notify your FA to remove your Program Account from participating in the Sweep Program. In addition, there are always non-sweep alternatives (i.e. ticketed securities) for the short-term investment of cash balances, including non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit, that offer higher returns than the sweep options that may be made available.

### **FDIC Insured Deposit Program (BDSP)**

Eligible account types: all accounts except ERISA Title 1 accounts, 403(b)(7), & Keogh plans. Free credit balances swept to a deposit account will earn interest that is compounded daily and credited to your Program Account monthly. Interest begins to accrue on the date of deposit with the banks participating in the program (“Program Banks”), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 in a leap year) of the posted interest rate.

### **Bank Deposit Sweep Program - BDSP**

The Firm has established deposit levels or tiers which ordinarily pay different rates of interest depending on deposit balances. Generally, Program Accounts with higher deposit balances receive higher rates of interest than accounts with lower balances. The interest rate payable to you is determined by us and is based on the amounts paid by the Program Banks to obtain the deposits. The Program will, in most cases, create financial benefits for us and our affiliates, and NFS. The combined total fees that your broker-dealer and NFS earns will be the greater of 1.25%, or the Federal Funds Target Rate (as can be found online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.25% as determined by the total deposit balances at all of the Program Banks over a 12-month rolling period. Your Broker/Dealer and NFS will earn fees that are higher or lower than that amount from individual Program Banks. Interest paid on the deposit accounts will generally be lower than the rate of return on (i) other investment products that are not FDIC insured, such

as money market mutual funds and (ii) on bank deposits offered outside of the BDSP. Your FA does not directly receive any portion of the fees paid by the Program Banks, but most FAs are also indirect owners of AP, through its holding company parent, and will receive income indirectly as an owner.

The income AP will earn from Program Banks based on your balances in BDSP will in almost all circumstances be substantially greater than the amount of interest you earn from the same balances. As such, AP receives a substantially higher percentage of the interest generated by deposit balances in the BDSP than the interest credited to your account(s). When evaluating whether to utilize the Sweep Program and the extent to which our fee exceeds the interest rate you receive, you should assume that we are receiving the Maximum Program Fee described above.

### **Money Market Mutual Funds**

When elected by client, Pershing Free credit balances in Program Accounts custodied at Pershing will be automatically swept into the money market sweep program indicated on the Client Agreement. Through Pershing, AP offers a variety of money market funds. Higher interest rates are available on some alternative money market funds which are not established as the default and for which Client is likely not invested unless Client has proactively switched into a different money market sweep option. Client may contact FA for additional information on reasonably available money market fund alternatives and the current interest rates, at any time. Once a money market sweep option is elected, any free credit balance in brokerage account will be automatically invested into the sweep product selected and any debits in brokerage account will also be covered automatically by redemptions, to the extent that a balance in the money market sweep product is sufficient to cover the debit balance.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. AP receives compensation from your holdings in money market funds. For additional information about the Sweep Program for accounts custodied at Pershing, please contact us in writing.

### **Material Conflicts of Interest Related to the Sweep Program**

Because the Sweep Program generates significant payments from third parties (i.e., the Program Banks that participate in BDSP and/or money market funds at Pershing) to AP, a conflict of interest exists. A conflict of interest also arises because AP will, in most cases, earn more compensation from cash balances being swept to or maintained in the Sweep Program than if you purchase other investment funds or securities. The more client deposits held in BDSP or within the money markets at Pershing, and the longer such deposits are held, the greater the compensation we, our clearing firms, and the third-party administrator receive. By investing through an advisory account, the compensation we receive from the BDSP and Money Market Funds, as applicable, is in addition to the advisory fees and all other program fees, as disclosed in Item 5 above, that you pay. This means that we earn two layers of fees on the same cash balances in client advisory accounts. In addition, a conflict of interest arises as a result of the financial incentive for the Firm to recommend and offer a Sweep Program over which they have control of certain functions. AP has the ability to establish and change interest rates paid on Sweep Program balances, to select or change Program Banks that participate in the BDSP and Money Market Fund selection at Pershing, and to determine the tier levels (if applicable) at which interest rates are paid, all of which generates additional compensation for AP. The FA who makes investment recommendations for your Account does not receive any direct compensation from the payments received in connection with your sweep vehicle, but will receive indirect compensation as part owner of AP, through its holding company parent. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest. For more information about this service and benefits that we receive in connection with such deposits, please refer

to the Sweep Program terms and conditions document, which you can request, in writing, from AP or access via our website. Given the conflicts discussed above, each client should consider the importance of BDSP and the Pershing Market Sweep Program to us when evaluating our total fees and compensation and deciding whether to utilize the BDSP and/or the Pershing Sweep option.

### **Conflicts of Interest**

In addition to the compensation for investment services described above, we are also compensated for providing other financial services as described in Item 10 – Other Financial Industry Activities and Affiliations and Item 14 – Client Referrals and Other Compensation. Our charges for investment services and for other financial services will typically exceed the costs AP and our FAs incur in providing those services. **This profit incentive creates a conflict of interest that could influence AP and its FAs to recommend opening or maintaining accounts that have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to AP or its FAs.**

AP has established various policies and processes to address these conflicts of interest, including the following:

- Disclosure to our clients of investment advisory fees described above;
- Disclosure to our clients of monetary benefits received by AP in connection with BDSP and Money Market Sweep Programs, as described in Item 5;
- Disclosure to our clients of additional fees charged for brokerage services, as described in Item 5 and Item 10;
- Disclosure of 12b-1 Fees and CDSC charges, as described in Item 5 Procedures governing brokerage practices, as described in Item 12;
- Disclosure of compensation AP will receive for the referral of clients to certain third party providers, as described in Item 4 and Item 14;
- Suitability review process at the time an account is opened; and Periodic account reviews after an account is opened.
- Maintenance and enforcement of our Code of Ethics

It is the Firm's policy to seek, for its clients, the best possible executions, at all times, and in all types of securities' markets. It is currently the Firm's policy to predominantly act on an agency basis for customer transactions. In the event the Firm must act as principal, such transactions will be agreed to, by the client, in advance of each trade. Best Execution scrutiny is given to those agency orders and executions handled on behalf of our clients. As part of the Firm's trade review process, periodic reviews of executions of customer orders will be checked against market prices at the time of execution for Best Execution and/or Prevailing Market Price by the appropriate Principal of the Firm. Additionally, execution scorecards, for certain securities, are reviewed by the Firm and made available on the Firm's website.

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

### **Overview**

AP does not currently offer performance fee arrangements.

### **Side-By-Side Management**

We do not currently engage in Side-By-Side Management.

## Item 7 - Types of Clients

We offer portfolio management and investment advice to the following types of clients:

Individuals

Families

High net worth individuals / families Pension and profit sharing plans Charitable organizations

Foundations

Universities Trusts Estates

Private business owners Corporations / Partnerships

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

Investing in securities involves risk of loss that clients should be prepared to bear.

### *Analysis Methods*

Security analysis methods utilized by AP and FA, depending on FA's professional judgment and conversations with client, will include one or more of the following:

#### **Fundamental**

Fundamental analysis maintains that markets may misprice a security in the short run, but that the "correct" price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a business's financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

#### **Technical**

Technical analysis maintains that all information is already reflected in the stock price.

Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

#### **Quantitative**

The use of models, or algorithms, to evaluate assets for investment. The process usually consists of searching vast databases for patterns, such as correlations among liquid assets or price- movement patterns (trend following or mean reversion). The resulting strategies may involve high- frequency trading. The results of the analysis are taken into consideration in the decision to buy or sell securities and in the management of portfolio characteristics. A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect.

## ***Sources of Information***

The main sources of information that AP or FA uses to analyze these investment strategies are:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC Company press releases
- Electronic Subscriptions

## ***Investment Strategies***

The investment strategies AP uses to implement any investment advice given to clients will include, depending on the FA and client, one or more of the following:

Long term Purchases (securities held at least a year) Short term purchases (securities sold within a year)  
Trading (securities sold within 30 days)  
Option buying and writing, including covered options, uncovered options or spreading strategies  
Utilization of Alternative Investments (Partnerships, Hedge Funds, etc.) Commodities  
Annuities (or other insurance) Structured products

## ***Investment Strategy Risks***

### ***General Risks***

#### **Lack of Diversification**

Portfolio investments may be concentrated and diversification may be limited. There are no limits with respect to position sizes. Concentrated portfolios may be more exposed to increases or decreases in value of certain market segments or companies than more diversified portfolios. Diversification doesn't insure against a loss in an overall declining market.

#### **Liquidity**

The Portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period. Illiquid securities are typically not available to you if you have an unexpected cash need which requires you to liquidate those investments. You should talk with your FA about your liquidity needs so those can be included in recommendations or trades of illiquid securities.

#### **Cash and Cash Equivalents**

Accounts may maintain significant cash positions from time to time and the client will pay the Annual Investment Management Fee based on the net asset value of the Account, which will in most cases include cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Account. Cash positions used through AP also will, in most cases, generate less interest or rate of return than other available investment options. Certain programs at Envestnet require a minimum 2% cash balance which is held in free credit or invested in BDSP. This creates a conflict of interest as AP has established this minimum and is receiving layered monetary benefits from the cash balance – revenue from BDSP and free credit positions as well as revenue from the advisory fees assessed on those balances. We mitigate this conflict via this disclosure to



you.

### **Leverage**

You may determine to use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a “margin call” may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would affect a mandatory liquidation of the pledged securities to compensate for the decline in value. The client would be responsible for any tax liability incurred from said mandatory liquidation. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Account(s) may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

AP also offers in partnership with its Custodians margin for qualified investors and will earn a portion of the fees charged to investors for use of these programs. The receipt of this compensation is a conflict of interest because it creates incentives for us to recommend leverage when it may not be suitable for your Account. We address this conflict through review of Accounts for suitability when they apply to use leverage, ongoing monitoring of leverage usage, maintenance of our code of ethics, and this disclosure to you.

### **Interest Rate Fluctuation**

The prices of securities in which the FA may recommend or invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

### ***Long term Purchases (securities held at least a year)***

#### **Liquidity**

The portfolio can be invested in both liquid and illiquid securities. For purchases made with a long-term objective in mind, such securities often are not as liquid as securities purchased with a short-term investment goal, and therefore may be subject to liquidity risk, meaning that it may be difficult to sell such securities without a material discount or increased transaction costs if the securities are sold in the short term. In addition, it is possible, that such securities may remain less liquid during the holding period, meaning that they are not easily bought and sold and could cost the client more to process transactions. Clients should discuss with their FA if they intend to hold illiquid investments in their Account(s) or infrequently make changes if a commission-based option may be in their Best Interest instead of an advisory program.

### ***Short term purchases (securities sold within a year) and Trading (securities sold within 30 days)***

#### **Market Risks**

The success of a significant portion of these programs will depend, to a great extent, upon correctly assessing

the future course of the price movements of the securities traded. There can be no assurance that the short-term purchases or trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of these programs may decline for many reasons including other market participants developing similar programs or techniques.

### **Trading is Speculative**

There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

### **Options and Other Derivatives**

We may purchase or sell options, warrants, equity related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The use of options may be to enhance the volatility and potential returns in a portfolio or may be a hedge to attempt to reduce those elements. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Account that is hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

### **Uncovered Risks**

We may employ various “risk-reduction” techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Accounts Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

### **Utilization of Alternative Investments**

Alternative investment products, including but not limited to hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engaging in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

## **Item 9 - Disciplinary Information**

AP has no disciplinary information to report, but our predecessor, Wiley Bros. – Aintree Capital, LLC (“WBAC”) reports the following:

WBAC accepted a Letter of Acceptance, Waiver and Consent (“AWC”) October 1, 2010 from FINRA in regard to a late trade reporting in violation with Rule G-14 in the first quarter of 2009. WBAC was also fined \$7,500.

WBAC accepted an AWC October 15, 2015 from FINRA in regard to the WBAC’s failure to establish, maintain and enforce a supervisory system and adequate written supervisory control procedures reasonably designed to review and monitor the transmittals of funds from a customer account to employees of the firm. WBAC was also censured and fined \$35,000.

WBAC failed to timely report to the Ohio Department of Insurance two FINRA administrative penalties imposed on WBAC, one in 2010 and one in 2015. On November 24, 2004, WBAC inaccurately marked "no" when asked if it had been involved in an administrative action and in 2012, 2013, and 2015, WBAC inaccurately marked "no" when asked if it has been involved in an administrative action that had not been previously reported to the Department. WBAC was ordered to pay a fine of \$400 and administrative costs of \$100. WBAC paid the fine and the costs in full on August 30, 2016. WBAC executed a consent order relating to the above described allegations with the Ohio Department of Insurance dated June 6, 2016 and paid the \$400 fine and \$100 administrative charge to the Department on August 30, 2016.

In a related matter, WBAC entered into a Voluntary Settlement Agreement with the North Carolina Department of Insurance whereby WBAC paid a fine of \$1,250.00. The agreement was entered into on January 23, 2017 and the fine has been paid in full. This Voluntary Settlement was for the failure to disclose the items referenced above and inaccurately answering questions on Insurance registration and renewal forms.

Additional information regarding each disciplinary event is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

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

### ***Broker Dealer***

AP is registered as a broker-dealer with the SEC and various state jurisdictions, and is a member of the FINRA. FAs are generally also registered representatives (“RRs”) as to the brokerage activities of AP.

Our broker dealer will generally be used to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by AP and RRs. Compensation will be received by AP, as a broker-dealer, and/or its RRs when portfolio transactions are effected on behalf of investment advisory clients, and AP and its RRs generally receive compensation as a result of acting in one or both capacities. Additionally, AP, as a broker-dealer, may act in a principal capacity and buy securities for itself from, or sell securities it owns to clients of AP, at which time commissions and or other markups/markdowns may be charged to those clients. Clients will always be notified and required to provide prior written consent prior to AP acting in a principal capacity.

### ***Investment Banking***

AP conducts investment banking business, meaning that it acts as a broker in representing clients interested in buying other businesses (“buy-side transactions”) and clients that are interested in selling themselves or their affiliates to a third party (“sell-side transactions”). As such, our broker dealer and its FAs work with clients to identify prospective third-party targets for buy-side transactions or third party acquirors for sell-side transactions, and assist clients in negotiating the terms of a transaction. Occasionally, consulting services related to a buy-side transaction or sell-side transaction is also provided for a fee. The fees for such services typically include a combination of: 1.) fixed fees to be paid upon the achievement of identified milestones, such as the entry of a definitive agreement, for example 2.) fees equal to a percentage of the transaction value upon completion of a transaction, which are commonly referred to as success fees, 3.) hourly fees, payable for the amount of time AP and its FAs devote to providing services, and 4.) initial fixed retainer fees, payable at the time a client engages AP to perform investment banking services.

### ***Municipal Advisor / Underwriter***

AP is registered with the Municipal Securities Rulemaking Board (“MSRB”) as a Municipal Advisor. **To the extent AP represents a municipal entity as a consultant or in an underwriting capacity, and recommends those municipal securities to you, there is a conflict of interest as there is an incentive for AP and its RRs/FAs to recommend or use municipal products based on the compensation received, rather than on your needs.** We manage this conflict of interest by monitoring the suitability of such municipal product as a portion of your investment needs, and by utilizing municipal products that we believe to be in your best interest.

### ***Insurance***

AP and certain of its associated persons are licensed in various states to sell insurance products, and as such, do on occasion sell insurance products to our advisory clients. **When such transactions occur, the associated person receives insurance commissions for such activities. This creates a conflict of interest as there is an incentive for AP or its FAs to recommend insurance products based on the compensation received, rather than on your needs.** We manage this conflict of interest by reviewing insurance purchases conducted through AP prior to client purchase and through this disclosure to you.

### ***Other Financial Industry Activities or Affiliations***

AP has no other Financial Industry Affiliations.

## ***Other Activities***

AP can engage in the following activities:

As a principal, effecting securities transactions for compensation for advisory clients who do not otherwise designate another brokerage firm to perform such services. In this role, AP may buy securities for itself from clients or sell securities it owns to clients. When a principal transaction occurs, we will disclose to the client, in writing before the completion of the transaction, the capacity in which we are acting, and will obtain the consent of the client to such transaction. AP may purchase initial offerings for certain advisory client accounts who have expressed an interest in the purchase of these issues. AP has procedures in place to include its current practice of allocating these offerings.

As a broker or agent, effecting securities transactions through AP for compensation for advisory clients of AP and RIAs, investment managers or sub-advisors who do not otherwise designate another brokerage firm to perform such services.

As a broker, effecting agency cross transactions through which client securities are sold to or bought from a brokerage or advisory customer.

Recommend to clients that they buy or sell securities or investment products in which AP or a related person has some financial interest.

Recommend to clients private placement offerings, not custodied through Firm's designated custodians, for which AP is compensated.

Buying or selling of securities for its accounts or those accounts of its RRs or FAs, which it also recommends to clients.

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

AP has adopted a Code of Ethics ("Code") to ensure that securities transactions by AP's employees and FAs are consistent with AP's fiduciary duty to its clients and to ensure compliance with legal requirements and AP's standards of business conduct. The Code requires that employees obtain prior approval to open brokerage accounts and requires transaction confirmations and quarterly reporting of all personal securities transactions. A copy of AP's Code is available on our website and upon written request.

Additionally, as a matter of policy AP will not permit itself or its employees to trade shortly in front of or in any manner that is prejudicial or disadvantageous to advisory clients. Similarly, if we are participating in an underwriting or sale of limited partnership interests, we will not generally place these securities in discretionary advisory accounts without prior consent of client on each transaction. Personal trading by our employees is required to be conducted in compliance with all applicable laws and procedures adopted by us. We allow affiliated persons to participate in aggregate trades when that affiliated person would be entitled to the same execution price as advisory accounts.

## **Item 12 - Brokerage Practices**

## ***General***

AP is registered as a broker/dealer with the SEC and various state jurisdictions, and is a member of FINRA. Per client direction when opening accounts, AP generally will be used to execute portfolio transactions for investment advisory clients of AP. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by AP and its RRs for said execution. Compensation will be received by AP, as a broker dealer, or its RRs when portfolio transactions are effected on behalf of investment advisory clients, and AP or its RRs will, in most cases, receive compensation as a result of acting in one or both capacities. Additionally, AP, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of AP, at which time commissions and or other markups/markdowns may be charged to those clients.

Based upon the similarity of investments among client accounts having similar investment objectives, and the fact that AP may direct the purchase of securities for more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions, designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis, resulting in the existence of an investment company. The custody of accounts held by the custodians on behalf of AP is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the client's securities in the account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's account. Each client may withdraw, hypothecate, vote or pledge securities in their account upon written notice to AP and each client has the authority to instruct AP from directing the purchase of certain securities through AP that might otherwise be purchased in the client's account.

## ***Trading Practices***

### **Best Execution**

It is generally anticipated that AP will be designated by the client as the broker-dealer for the execution of securities transactions which are directed by AP. To the extent that we are designated as the broker-dealer, we will execute, as a broker, all purchases and/or sales on behalf of a client's account, through the client's Account custodian and clearing firm, Pershing or NFS, respectively. For trades directed to AP by the advisory client, AP will use its best efforts to obtain execution on the best terms reasonably available at the client's account custodian, Pershing or NFS. When our advisory clients direct us to execute all or a portion of client's transactions effected on their behalf with a specific broker, we typically will not honor such request (see Directed Brokerage section, below). If we do choose to honor the request, we do not negotiate commission rates on behalf of clients unless specifically directed to do so, and we do not determine whether commission rates charged by a broker selected by clients are the lowest available.

### **Batched Trades**

When AP places orders to buy or sell the same security for more than one advisory account managed by AP, AP can, but is not under any obligation to, batch/aggregate transactions for such clients for the purpose of obtaining best execution. In practice, most trades placed outside of Envestnet are not batched as FAs are making recommendations or using discretion on advisory accounts without coordination with other FAs.

Generally, when transactions are batched, such batched transactions will be allocated proportionally to advisory accounts for which such security transaction is determined to be suitable based on relative account size. AP can make exceptions to this procedure due to special portfolio constraints, cash position, client or regulatory restrictions, odd-lot size of an available transaction, or other equitable fiduciary reason. Depending on the circumstances, it may not be possible to receive the same price or time of execution for all of the securities purchased or sold in an aggregated order. Therefore, such aggregated order may be executed in one or more transactions at varying prices and each client's order will receive the average price for the day with respect to such transaction. NFS clients should review Envestnet's ADV II for discussion of its policies regarding batched/block trades.

### **Trade Error**

When a trade error is made, AP will place an order to correct the trade. If a gain is made as a result of the corrective action taken, the Firm will book the error to the FA, but retain the proceeds which will also be utilized to offset any losses incurred as a result of errors with losses. If a loss is made as a result of the corrective action taken, the Firm will not bill that loss to the client. The loss will be charged back to the FA on the account or the trading department, depending on who was responsible for the error. If a gain, from a trade error, was previously booked to the FA, the loss will be netted against the gain and if the loss exceeds the balance of any prior gain, the expense will be borne by the Firm or party responsible for the error. Retaining proceeds from Trade Errors is a conflict of interest as the Firm may profit from certain errors. To mitigate this conflict, the FA will never receive the direct proceeds from a profitable trade error, but if the FA is an indirect owner of AP through its holding company parent, the FA will share indirectly in the overall profits of the Firm.

### **Directed Brokerage**

While not a requirement of participating as a RIA, investment manager or sub-manager for clients of AP or any programs offered, some RIAs, investment managers and sub-advisors utilized by AP may have other advisory clients who custody assets through AP with their Custodian, and as a result of such relationship, AP receives commissions and other compensation from transactions executed in such accounts. See also the discussion in the section herein titled "Item 4- Advisory Programs – Third Party Investment Management (in some cases Private Manager Program)."

AP currently offers two clearing platforms – Pershing and NFS. If your FA joined AP after 8/31/23, and AP is acting as broker/dealer, then AP will require that if you open an advisory account with AP that you utilize NFS. Similarly, if your FA joined AP prior to 8/31/23, and AP is acting as broker/dealer, if you open an advisory account you will be required to use Pershing. We do not typically honor requests for usage of different Clearing Firms or Custodians. Please note that all RIAs do not require clients to utilize a Clearing Firm or Custodian of RIA's choice. Requiring use of particular Clearing Firms or Custodians is a convenience for us and will in many cases result in more compensation for AP or the associated FA than if you were permitted to elect a different broker/dealer or Clearing Firm or Custodian. We mitigate this conflict through this disclosure to you. Also, depending on the securities used within your Account(s) and trading patterns, you may be better off using the Clearing Firm we are not making available to you. By directing brokerage in this manner we will, in some cases, be unable to achieve most favorable execution of client transactions, and this practice will, in these circumstances, cost clients more money.

Clients participating in certain investment advisory programs managed by portfolio managers not associated with AP may direct (or the third-party portfolio managers may direct) that some or all account transactions be effected through specific brokers or dealers other than AP. In such case, the third-party portfolio manager

or the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. AP assumes no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such Client's account. A Client must recognize that Client may obtain rates that differ from those offered through AP.

### **Cross-Trade Transactions**

AP may engage in agency or principal cross transactions; however, AP obtains client consent for principal transactions prior to execution. Agency and Principal cross transactions are agreed to within the terms of the Investment Advisory Services Agreement. Client may revoke, in writing, this consent for agency or principal cross transactions at any time. Additionally, to the extent AP acts as a principal and engages in a principal cross transaction, AP will obtain the Client's permission for such transaction prior to the execution of such transaction.

### ***Soft Dollar Arrangements***

The Firm has no written soft dollar arrangements. The Firm's clearing firms, Pershing and NFS, provide research and other services which may be deemed to be "soft dollar benefits" even though the Firm pays for such services. Any such soft dollar benefits are in accordance with Section 28 (e) of the Securities Exchange Act of 1934.

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

Currently, we do not direct any advisory Clients to third party broker-dealers in anticipation of receiving referrals of advisory Clients from such broker-dealers.

### ***Research***

Trades may be done with brokers who are selected based on research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. AP may compensate brokerage firms which supply computer generated data of its own or that of a third party. Such information is available to assist in the management of all of AP's clients whether or not any commissions are available for use in this matter. Currently AP is not engaged in this type of arrangement.

## **Item 13 - Review of Accounts**

All advisory accounts and proposals for fees are reviewed by the supervision staff or their designee. Accounts will be reviewed for suitability, among other things. More frequent reviews may be triggered by written request from the client.

Clients are provided with quarterly account position statements as required by the FINRA and the SEC. Such account statements and confirms will be provided by Pershing or NFS.



## Item 14 - Client Referrals and Other Compensation

### *Referral Activities*

We will, in many cases, receive compensation for referring you to a third-party service provider, such as another RIA. The amount of compensation will be determined by the agreement between us and the third-party. We will act as the referring party and deliver to you a marketing Disclosure Document at the time of the referral. **Please note that payment of compensation to us and our FA for recommending a third-party creates a conflict of interest. Although we and our FAs commit to acting in your best interests, the existence of such compensation could encourage us to make an unnecessary referral or cause us to withhold information about an alternative option that doesn't provide equivalent compensation.** We address this conflict by requiring any FA making such a referral to complete an Outside Advisor Due Diligence form. The FA must provide details as to why the marketing arrangement is in the best interest of the client.

## ***Other Compensation***

### **Cash and Sweep Programs**

Certain money market, municipal money market and government money-market funds pay AP a distribution fee in its capacity as a broker dealer. This includes the aforementioned money markets held within ERISA accounts. Additionally, AP is compensated on the amount of free credit balances in client accounts and on cash awaiting reinvestment in a sweep program or purchase of a security as well as cash awaiting distribution after being redeemed from a sweep program. This compensation is in addition to other fees, etc. received from client accounts. AP also receives additional compensation based on client account balances being held in certain money market funds. A variety of money market funds are available through AP. Money market funds often pay different interest rates from each other.

AP also offers a BDSP. This program is currently only available for clients with NFS- custodied accounts. The BDSP is the only program currently offered for clients within our NFS accounts. For clients that elect the BDSP, deposited cash or distributions awaiting reinvestment are swept on a daily basis into FDIC insured bank accounts. Details on this program and interest rates are available on our website at [www.andpartners.com](http://www.andpartners.com) .

Certain money market funds pay higher interest rates than the rate that is paid by AP's default sweep options. Client may contact their FA at any time to discuss alternative options to invest the account balances. Cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are generally transferred to the sweep program option (if applicable) on a daily basis. When securities are sold, funds (less any charges) are generally credited on the first business day after trade date. Due to the foregoing practices, AP may realize some economic benefit because of the delay in investing these funds.

### **Margin Loans and Non Purpose Loans**

To the extent you utilize Pershing, Bank of New York, NFS, CIBC Bank USA, Advisor Credit Exchange or another lender introduced to you by AP for margin loan financing and or non-purpose loans secured by client accounts, both the FA and AP will receive interest sharing compensation related to such margin loans. The receipt of this compensation is a conflict of interest because it creates incentives for us to recommend leverage when it may not be suitable for your Account. We are additionally incentivized to advise you to use margin to increase your portfolio size, because we will base our advisory fee on your overall portfolio market value in addition to the fees we receive on the interest generated by the margin. We have the ability to mark up or otherwise influence the interest rates charged on these programs and thereby increase our compensation. We address these conflicts through review of Accounts for suitability when they apply to use leverage, monitoring of the amount of leverage used within accounts, maintenance of our code of ethics, and this disclosure to you.

When securities are sold, funds may be deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, AP will obtain a distribution fee in its capacity as a broker dealer from the money market funds or BDSP prior to the date that deposits are credited to client accounts and thus realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker- dealer or other entity acts as custodian of the client's account assets, we have no control over the manner in which the cash reserves will be handled. You and or the custodian will make the determination.

### **Transaction Flow**

When securities are sold, funds may be deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, AP will obtain a distribution fee in its capacity as a broker dealer from the money market funds or BDSP prior to the date that deposits are credited to client accounts and thus realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker- dealer or other entity acts as custodian of the client's account assets, we have no control over the manner in which the cash reserves will be handled. You and or the custodian will make the determination.

### **Payment for Order Flow**

Absent written customer instructions to the contrary, AP will direct all securities transactions through various brokerage firms (the executing firms) selected by AP. AP may receive compensation for directing order flow in equity securities through the executing firms. Such compensations may be in the form of monetary payments, credits, rebates or other forms of cash or noncash compensation. The executing firms will generally execute such transactions to purchase or sell at the national best bid or best offer (the "NBBO"), although such directed brokerage may, upon occasion, offer an opportunity for execution of over-the-counter securities at prices superior to the NBBO. AP will endeavor to obtain the best execution possible given all of the facts and circumstances relating to individual transactions. Such factors include, among other things, the size of the order, the trading characteristics of the securities involved and the difficulty associated with achieving an execution in a particular market center. The sources and nature of any payments for order flow made to AP for particular transactions in your account will be furnished upon written request to:

&Partners, 40 Burton Hills Blvd, Suite 350, Nashville, TN 37215.

Pershing and NFS, our clearing firms, do receive payment for order flow for equities, fixed income and options order flow. Please see Pershing and NFS' respective Order Routing disclosures, located on the Firm's website and in your customer, account statements, for additional details.

## **Item 15 – Custody**

We utilize Pershing or NFS as qualified custodians for most of our client's assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. AP urges you to carefully review such statements.

Although the funds and securities of our clients are held at unaffiliated qualified custodians, there are certain situations where AP is deemed to have custody of some client assets under the SEC's Custody Rule because it deducts fees from certain client accounts, as described below. Additionally, AP is deemed to have custody when it accepts checks and securities certificates, on behalf of its clients, and forwards for deposit to account custodian. AP provides investment management services only and the physical safekeeping of client assets is performed by qualified custodians, i.e., regulated financial institutions including banks and broker dealers.

### **Advisory Fees**

Client provides authority to AP and their custodian to deduct periodic investment advisory fees from the Account(s). Usually monthly, but at least quarterly, the custodian sends statements to the client which show, among other things, the advisory fees paid to AP. We have procedures to monitor that we only remove the fees owed to us from those clients' accounts. As stated above, if we have that ability to remove fees from your account, you should carefully review your statements to monitor that the fee amount we remove is correct and that we do not remove more than the fees due us. Similarly, as authorized by Client and upon presentation of invoice, AP will deduct annual investment management fees on behalf of third-party managers. AP is not responsible for verifying the accuracy of the fees presented on invoices from third-party managers, so it is important that you review your statements carefully to confirm that the correct amount is being removed from your account attributable to third-party investment manager fees.

### **Standing Instructions**

Client may provide AP standing instructions to process transactions on their behalf. AP's qualified custodians distribute required documentation to inform clients when such instructions have been initiated and activated. The qualified custodian also provides an annual reminder of such instructions. AP urges clients to carefully review all documentation provided by qualified custodian including but not limited to account statements and notices all of which will notify client when such Standing Instructions are established and activated.

### **Service as Trustee/Executor/POA**

Subject to compliance with AP's procedures, an AP employee may serve as the trustee of a trust, executor of an estate or Power of Attorney for whom AP provides advisory services. AP's procedures limit these situations to those where the employee had a pre-existing personal (not professional) relationship (such as a family member) with the decedent, trust grantor/beneficiary or individual. Pursuant to current SEC guidance, such situations are not deemed to create a custody relationship between AP and the client because of the pre-existing personal relationship. All new engagements of this type are reviewed to ensure compliance with AP's procedures.

## **Item 16 - Investment Discretion**

When selected by you, our standard investment advisory agreement grants us discretionary authority to supervise and direct the investment and reinvestment of a client's account, making and implementing investment decisions without prior consultation with the client. If AP is not otherwise directed in writing to execute trades through a particular broker-dealer, AP will execute, as a broker, all purchases and/or sales on behalf of a client's account through Pershing or NFS, as client has directed.

## **Item 17 - Voting Client Securities**

It is generally our policy not to vote proxies, however, with respect to those accounts for which the client has designated, in writing, for their FA to vote proxy on their behalf, we do so in accordance with client instructions and in a manner in which we believe to be in the best interests of our clients. AP generally votes in accordance with the recommendations of the issuer's existing management, unless it is not prudent to do so. A written copy of the proxy policies and procedures are available upon request. AP will not advise or act for the Client with respect to any legal matters, including bankruptcies or class actions with respect to securities held in the Account; however AP may file class action claims on behalf of the

Client with Client approval.

## **Item 18 - Financial Information**

RIAs are required to provide you with certain financial information or disclosures about their financial condition. AP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 - Other Information**

### ***Business Continuity Plan***

AP has developed a Business Continuity Plan to address how we will respond to events that may disrupt our business. Since aspects of the timing and impact of disasters is unpredictable, the Firm will have to be flexible in responding to the events as they occur.

This plan is designed to permit us to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data back-up and recovery, mission critical systems, financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting, compliance and supervision, and the assurance of prompt access to funds and securities for our customers.

### ***Varying Disruptions***

Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing our Firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our Firm or a building housing our Firm, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with Pershing and NFS on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firms if necessary. If the significant business disruption is so severe that it prevents us from remaining in business, our clearing firms, Pershing and NFS, are each respectively large and established financial institutions, assuring our customer's prompt access to their funds and securities.

### ***Contact Information***

If after a significant business disruption, the main telephone line is inactive, the emergency number is 615-353-9875. If the emergency line is down, please contact Pershing at 201-413-3635 or NFS at 800-801-9942. If you have questions about our Business Continuity Plan, please feel free to contact the Firm at 615-255-6431.

## ***Privacy Policy***

AP respects your right to privacy, and considers your privacy our utmost concern. In order to provide clients with individualized service, AP will collect certain nonpublic personal information about our clients, including nonpublic personal information about you from information you provide on applications or other forms, and information about your account transactions with us. We may also collect such information through your account inquiries by mail, email, or telephone. Please see our Privacy Policy at [andpartners.com](http://andpartners.com) for information about how we use the information we collect.