

## ITEM 1 – COVER PAGE

BOLTON GLOBAL ASSET MANAGEMENT  
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BOLTON, MASSACHUSETTS 01740  
(978) 779-6947  
[WWW.BOLTONSECURITIES.COM](http://WWW.BOLTONSECURITIES.COM)

March 30<sup>th</sup>, 2024

This Brochure provides information about the qualifications and business practices of Bolton Global Asset Management. If you have any questions about the contents of this Brochure, please contact us at (978) 779-6947. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Bolton Global Asset Management is a registered investment adviser. The registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Bolton Global Asset Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2 – MATERIAL CHANGES

The last annual update of our Brochure was dated November 22<sup>nd</sup>, 2023.

Since the last update of this document, there have been no material changes.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. With the summary we will include an offer to provide a copy of the updated Brochure and information on how you may obtain it. We will further provide you with a new Brochure as necessary based on material changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jane Mahle, our Chief Compliance Officer. She can be called at (978) 779-6947 or emailed at [JMahle@boltonglobal.com](mailto:JMahle@boltonglobal.com). Our Brochure is also available on our web site [www.boltonsecurities.com](http://www.boltonsecurities.com) also free of charge.

Additional information about Bolton Global Asset Management ("BGAM") is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with BGAM who are registered, or are required to be registered, as investment adviser representatives of BGAM.

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## ITEM 4 – ADVISORY BUSINESS

### A. Company Information

Bolton Securities Corporation (BSC) is a dually registered investment adviser and broker dealer. It conducts investment advisory activities as a federally registered investment adviser under the trade name Bolton Global Asset Management (BGAM). It conducts broker-dealer activities under the Bolton Securities Corporation trade name. Please note that SEC registration does not imply a certain level of skill or training.

Except where necessary to distinguish between broker-dealer and investment advisory capacities, the BGAM name shall be used herein when discussing Bolton Securities Corporation. BGAM has been offering investment advisory services since 2002. BGAM is a privately-owned corporation with its principal place of business in Bolton, Massachusetts. Bolton Financial Group owns one hundred percent (100%) of the firm's equity.

Advisory services are offered through a network of investment advisor representatives ("IARs"). IARs may have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. These business names have been adopted by BGAM as d/b/a names under which it provides advisory services. The client should understand that these businesses are legal entities of the IAR and not of BGAM. When using d/b/a names, BGAM may not always provide reference to the legal name of the company. Regardless, when used to refer to the company, the use of a d/b/a name is intended as a pseudonym for our legal company name.

BGAM's advisory services are made available to clients primarily through its IARs. Each IAR maintains a supplement to this Brochure (the "Brochure Supplement") that discusses important information about the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR. In addition to reading this Brochure, clients should read the Brochure Supplement and understand its contents before engaging in advisory services through BGAM and the IAR. If the client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or BGAM at [compliance@boltonglobal.com](mailto:compliance@boltonglobal.com)

This Brochure provides information regarding the qualifications, business practices, and the advisory services provided by BGAM. The BGAM and its IARs serve as a fiduciary to clients, as defined under applicable laws and regulations. As a fiduciary, BGAM and the IARs uphold a duty of loyalty, fairness and good faith towards each client and seek to mitigate potential conflicts of interest. This fiduciary commitment is further described in the BGAM Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 of this Brochure.

### B. Description of Advisory Business

BGAM provides two core advisory services to clients – asset management and financial planning/consulting services. Asset management services entail the management of client investment assets on a discretionary or non-discretionary basis, depending on the arrangement with the client. Financial planning and consulting services entail assessment of the client's expressed investment needs, development of a plan, or providing advice in a consulting arrangement that does not include the management of assets. Clients can engage with BGAM for either asset management or financial planning/consulting or the client can engage with BGAM for both services concurrently.

None of the advisory services described herein are intended as, or meant to be a substitute for, legal,

accounting, actuarial, or tax advice. Clients should coordinate and discuss the impact of the financial advice they receive from a BGAM IAR with their attorney, accountant, and other professionals.

### Asset Management Services

BGAM provides customized wealth management solutions for its clients. This is achieved through continuous personal client contact and interaction through our IARs. BGAM IARs work with each client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an investment strategy. BGAM will implement the investment strategy with its internal management and/or the use of unaffiliated money managers or investment platforms (as described below). BGAM's IARs are independent contractors. This means that BGAM's financial advisors are free to implement investment strategies and plans on their own accord, subject to oversight and supervision by BGAM. This is distinguished from some other registered investment advisors that mandate the clients invest only in company-sponsored investment programs. BGAM believes strongly in the flexibility it provides to its IARs. To the extent that IARs employ BGAM-sponsored investment programs in client accounts, it is because the IAR deems the investment program to be suitable for the client and not because of any requirement to do so from BGAM.

Asset management services are offered either on a non-discretionary or discretionary basis. Non-discretionary asset management entails client pre-approval of investment transactions before they can occur. Discretionary asset management allows the IAR to implement investment transactions in the account absent client pre-approval.

Below is a description of BGAM's asset management services.

#### *Internal Investment Management*

BGAM customizes its investment management services for its clients. Internal investment management services are provided by the IAR on a client-by-client basis, and sometimes employing universal strategies that are applicable to more than one client. Client portfolios are primarily constructed using mutual funds, exchange-traded funds ("ETFs"), individual stocks and fixed income securities. The IAR may also utilize other types of investments, as appropriate, to meet the needs of each particular client.

BGAM generally employs a long-term investment approach for clients, but may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the client or due to market conditions. BGAM will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the client. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the IAR.

The specific advisory program selected by the client will cost the client more or less than purchasing program services separately. Factors that bear upon the cost of a particular advisory program in relation to the cost of the same services purchased separately include, but may not be limited to, the type and size of the account, the historical or expected size or number of trades for the account, the types of securities and strategies involved, and the number and range of supplementary advisory and client-related services provided to the account.

BGAM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. BGAM

may recommend specific positions to increase sector or asset class weightings. The IAR may recommend employing cash positions as a possible hedge against market movement. The IAR may also recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of client, generating cash to meet client needs, or any risk deemed unacceptable for the client's risk tolerance.

Client should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. After transfer into an advisory account, client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, client should consider and speak to IAR about whether:

- a commission was previously paid on the security;
- client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

*The following paragraph contains important conflicts of interest to consider.* With respect to certain types of accounts, clients do not pay any transaction charges (i.e. a wrap fee account as discussed in the Wrap Fee Appendix to this Disclosure Brochure). Clients should be aware that BGAM pays transaction charges to its custodians for the transactions in those accounts. The transaction charges paid by BGAM vary based on the type of transaction (e.g., mutual fund, equity or ETF) and, for mutual funds, based potentially on whether or not the mutual fund pays 12b-1fees (fees paid by the mutual fund to distributors of the funds to cover the cost of distribution and/or shareholder services) and/or recordkeeping fees to the custodian.

In many instances, custodians make available mutual funds that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund on the custodial platform in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by the custodian in certain cases because the share class pays the custodian compensation for the administrative and recordkeeping services it provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through the custodial platform. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay the custodian a 12b-1fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

BGAM has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline BGAM, consciously or unconsciously, to render advice that is not disinterested. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your IAR the advisory fee for management of an account.

### *Sub-Advisory/Consultant Investment Management*

BGAM can enter into consultant or sub-advisory relationships in which it contracts with other third-party asset managers ("TPAM") to provide research, advice, and guidance or investment management services regarding assets BGAM manages for clients. Such arrangements might range from the other advisor providing research ideas that BGAM may or may not implement, to a sub-advisor having full discretion over a BGAM client's assets.

Since each TPAM is uniquely structured with different investment products, please ensure that you carefully review all documents provided to you on behalf of the TPAM. These include, but are not limited to:

- The TPAM's Form ADV Part 2A and other disclosure brochures.
- The TPAM's Client Agreement as well as any other agreement entered regarding a TPAM Program, for specific contractual terms (including fees, billing methods, administrative and other fees, etc.)
- Any additional disclosure or offering documents provided by the TPAM in connection with investment products.

*The following paragraph contains important conflicts of interest to consider.* Assets managed in a sub-advised account program are counted as assets under management of BGAM and the sub-adviser. Many investment advisory firms are measured, in part, by the amount assets under management as reported in this Brochure. In a sub-advised investment program, both the sub-adviser and BGAM are responsible for the management of the invested assets, though in practice, investment management is vested almost entirely in the sub-adviser. This increases BGAM's risk of client grievances stemming from account management by the sub-adviser and prompts BGAM to engage in time consuming and costly oversight of sub-advisory relationships. This risk results in a conflict of interest inasmuch as it deters BGAM from employing sub-advisors. The effect of this conflict of interest is mitigated by the independence of BGAM's Chief Compliance Officer, who determines the necessity of sub-advisory relationships without regard to the cost or oversight considerations.

### *Third-Party Asset Management Program (TPAM) Services*

BGAM provides access to asset management programs offered by third party investment advisors (referred to as "TPAM sponsors") with which BGAM has entered an agreement to make their services available. When acting as a solicitor for the TPAM, neither BGAM nor any IAR provides asset management services in relation to the TPAM Program. Instead, your IAR will assist you in selecting one or more TPAM programs believed to be suitable for you based on your stated financial situation, investment objectives, financial goals and suitability factors.

TPAM services generally begin with the IAR obtaining the necessary financial data from the client to assist with setting an appropriate investment objective, determining the suitability of the program and in opening an account with the TPAM sponsor. Depending on the program, the IAR may also assist the client with selecting a model portfolio of securities designed and managed by either the TPAM sponsor or a selected portfolio management firm available through the TPAM sponsor responsible for providing discretionary asset management services. The TPAM sponsor or other third-party investment advisor is granted client authority in its client agreement to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. In doing so, the TPAM sponsor or other third-party investment advisors typically construct various model investment portfolios that are managed according to specific investment strategies associated with the respective models, and that are not generally customized

for individual clients (subject to the client's ability to request reasonable investment restrictions on investing in securities or other special accommodations that may be made). In addition to portfolio management services, the TPAM sponsor will also generally arrange for custody of client assets, trade execution, cashiering services, and such other services as outlined in their separate client agreement and Brochure. In limited cases involving certain retirement plans, BGAM and the IAR may undertake to provide plan-level investment advisory and education services under a consulting arrangement specifying such additional services.

Since the TPAM services provided by each TPAM sponsor or other third party investment advisor in the TPAM program are unique, clients should request and carefully review the applicable Brochure, client agreement and other account paperwork for each TPAM for more detailed information about the services provided by the TPAM sponsor, including without limitation, a description of the TPAM sponsor's background, investment strategies, fees, custody arrangements, potential conflicts of interest, and other relevant information regarding the TPAM sponsor's services and business practices. Clients may request a copy of their Brochure from the IAR or by visiting [www.adviser.in.sec.gov](http://www.adviser.in.sec.gov). Clients may also request the advisor's Form ADV 2B Supplemental Brochure from their IAR for detailed information about the management personnel responsible for managing client investment portfolios.

*The following paragraph contains important conflicts of interest to consider.* Assets managed by a TPAM are not considered assets under management of BGAM. Many investment advisory firms are measured, in part, by the amount assets under management as reported in this Brochure. The fact that BGAM cannot count assets advised in a TPAM program as its assets under management creates a conflict of interest inasmuch as it acts as a barrier to recommending TPAM programs. The effect of this conflict is mitigated by the independence of BGAM's financial advisors, who are not required to have client account recommendations approved by BGAM.

### Financial Planning Services

Financial planning and consulting services can be engaged on an ongoing or project-specific basis. Ongoing financial planning and consulting entails the tendering of advice over a long period of time with regular updates in consideration of changes in the overall parameters of the engagement. Project-based financial planning and consulting involves engagement for a finite period or project that has a measurable endpoint. That endpoint can be measured either in time or in completion of the services within the scope of the engagement.

As part of BGAM's financial planning services, BGAM, through its IARs, provides personal financial planning tailored to the individual needs of the client. These services may include, as selected by the client on the financial planning agreement, information and recommendations regarding tax planning, investment planning, retirement planning, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning. The services consider information collected from the client such as financial status, investment objectives and tax status, among other data. The IAR delivers to the client a written financial plan. The engagement terminates upon delivery of the financial plan. BGAM and their IAR will not have any discretionary investment authority when offering financial planning.

*The following paragraph contains important conflicts of interest to consider.* Financial planning recommendations may pose a conflict between the interests of BGAM/its IARs and the interests of the client. For example, a recommendation to engage BGAM and its IAR for investment management services or to increase the level of investment assets in an asset management account would pose a conflict, as it



would increase the advisory fees paid to BGAM and its IAR. The effect of this conflict is mitigated by the independence of BGAM's clients. Clients are not required to use BGAM or any of its IARs for investment services incorporated into a financial plan or consulting engagement. An additional agreement will be required if the client chooses to utilize the IAR for further investment management services. Financial planning services may be included in an overall wealth management engagement or provided as a separate service, pursuant to the terms of the agreement with the client.

#### C. Client Role and Obligations Relative to BGAM's Advisory Services

BGAM relies on forthright communication from its clients in order to provide them with investment advice. It is imperative that clients be direct, honest, fulsome and timely with their investment criteria, investment knowledge, holdings, goals, time horizon and other important factors. Clients are obliged to report changes in their financial situation, including the factors enumerated above, to BGAM or the IAR as soon as possible.

#### D. Tailored Relationships

BGAM tailors its advisory services to the individual needs of its clients. It is the role of the IAR to meet with clients and determine which option(s) are most suitable in assisting the clients with meeting their investment needs. Certain programs available through BGAM may be utilized by multiple clients that have similar time horizons, needs and objectives.

Advisory clients are permitted to impose restrictions on their accounts. In general, the restrictions may include security type, specific securities, and cash balance requirement. Under certain situations a restriction may prevent BGAM from providing investment choices to meet a client's needs. BGAM can accept or not accept any reasonable limitation or restriction that clients wish to place on their account. All limitations and restrictions must be provided to BGAM in writing. In the event a restriction does impair BGAM's ability to manage a portfolio effectively the client engagement may be terminated under the terms of the contract.

#### E. Wrap Fee Programs

For some clients, BGAM may include the securities transaction fees together with investment advisory fees to provide the client with a single, bundled fee structure. This combination of fees is typically referred to as a "Wrap Fee Program."

BGAM offers wrap accounts managed by third party investment managers on a discretionary basis. Currently, BGAM has arrangements with Pershing, LLC, Lockwood Asset Management and Envestnet Asset Management ("Platform Providers") to offer their asset management platforms, including access to investment managers on the platform, to BGAM clients. In all instances, BGAM is a sponsor of the wrap fee program. The Platform Provider may also be a sponsor, depending on the nature of the program and the role taken by the Platform Provider. In certain instances, BGAM acts solely as the sponsor and a referring adviser, with the Platform Provider serving as the client's investment adviser. In other instances, BGAM acts as the client's investment adviser by assisting the client in selecting investment managers and setting asset allocations. BGAM can also offer such services or access to investment managers through other sponsors in the future. BGAM receives a portion of the total wrap fee for referring the client to the program or assisting in the selection of managers and setting asset allocations.

BGAM is also the provider of a wrap fee program managed on a discretionary or non-discretionary basis by BGAM investment adviser representatives. There is no difference in the investment management of wrap

accounts and separately managed accounts. BGAM receives a portion of the total wrap fee for providing investment management services.

BGAM's Wrap Fee Program Brochure is included as Appendix 1 to this Disclosure Brochure to discuss the fees and potential conflicts associated with a bundled fee and its wrap fee programs.

#### F. Assets Under Management

As of December 31<sup>st</sup>, 2023, BGAM managed a total of \$5,853,942,197 of which \$3,340,417,519 is on a discretionary basis and \$ 2,513,524,678 is on a non-discretionary basis.

#### G. Conflicts of Interest Relative to Advisory Service Selection

*The following paragraph contains important conflicts of interest to consider.* Clients should be aware that the compensation to BGAM and its IARs will differ according to the specific advisory program chosen. This compensation may be more than the amounts it would otherwise receive if you participated in another program or paid for investment advice, brokerage, and/or other relevant services separately. As a result of the differences that exist among the various advisory programs and services BGAM has a financial incentive to recommend a particular program or service over other programs or services available through BGAM. BGAM mitigates the impact of this conflict of interest by maintaining a compliance program that is designed to educate IARs of their fiduciary duty to clients and monitor investment decisions for suitability.

### **ITEM 5 – FEES AND COMPENSATION**

#### A. Asset-based Advisory Fees and Compensation

Asset-based advisory fees are negotiable between the client and IAR. The factors considered in the advisory fee include the specific nature of services rendered, the complexity of a client's investment management needs, and/or the value of a client's assets under management. The maximum fee that can be charged to the client is 2.5%. Some of BGAM's advisors may adhere to a static fee schedule for their own clients within the Company's stated asset based advisory fee range.

The specific fee charged by BGAM in any account or client relationship is agreed upon and set forth in the client's written agreement with BGAM. BGAM will generally bill its fees on a quarterly basis and clients are billed at the start of each calendar quarter. Fees will be deducted from the client's account by the client granting BGAM authorization to directly debit fees from the accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days in the period during which BGAM provided advisory services. Management fees shall also be prorated for each capital contribution and withdrawal made during the applicable calendar quarter, except for de minimis contributions and withdrawals. BGAM's fees are exclusive of brokerage commissions, administrative transaction charges, and other related costs and expenses which shall be incurred by the client.

At its discretion, BGAM can consider a client's request for an alternative fee arrangement. In addition, BGAM reserves the right to change its fee schedule for all clients or selected clients for any reason.

#### Account Fees for Services in Addition to Investment Management

IARs may also assess a fee to cover any ticket or transactional fees they are assessed because of a trade in your account. Due to the design of the account custodian's trading and account management software systems, the ticket charge typically must be assessed in a way that reflects as a commission in its systems. While the system requires the ticket charge assessment to be reflected this way, a ticket charge assessment only reflects the passing through of trading costs to the investors and does not reflect additional compensation to the IAR. Ticket charge pass through assessments are processed at the exact ticket charge that is assessed to the IAR without any markup.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to BGAM's fees. All the foregoing costs should be discussed with your IAR.

Clients are responsible for clearing, custodial, transaction and miscellaneous charges, such as a postage or confirmation fees, that are passed onto the client from the Custodian's clearing broker-dealer, and in the case of trade confirmation and annual account fees, contain a mark-up included by the Custodian. If you transact in fixed income instruments in a non-wrap fee based advisory account, you will bear administrative transaction charges for purchases, sales and exchanges in the account.

In your account agreement with the Custodian, you have authorized the Custodian to deduct from your account the transaction charges and other fees applicable to your account. The transaction charges are paid to the Custodian to defray costs associated with trade execution; however, these costs are not directly or proportionally related to transaction-related expenses of the Custodian and are a source of revenue to it for the brokerage services it provides. The maximum administrative transaction charges for each fixed income instrument transaction are the greater of \$50.00 or 10 basis points (.10% of principal). For Treasury Bills and Notes, the maximum charge is further limited to the greater of \$25 or 2 basis points (.02% of principal). The transaction charges are applied by the Custodian and are not shared with BGAM or its IARs. The administrative transaction charges are in addition to your advisory fees paid to BGAM and are subject to reduction at the discretion of the trading desk.

The Schedule of Service Fees applicable to your account may be found at <https://boltonglobal.com/doc/ScheduleOfServiceFees.pdf> or requested from BGAM or your IAR.

The fees assessed by the Custodian are determined by them without input or influence from Bolton by taking into consideration all relevant facts and circumstances, including market conditions with respect to such security at the time of the transaction, the time, expense, responsiveness need and service involved, the value of any service the Custodian may have rendered by reason of its experience in and knowledge of such security and the fact that the Custodian is entitled to remuneration. BGAM is not involved in the Custodian's or its clearing broker-dealer's fee determination.

Item 12 further describes the factors that BGAM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

## **B. Financial Planning Fees and Compensation**

Financial Planning fees are negotiated between the IAR and the client. The amount of the fee is stated in the client agreement. The client typically pays the fee upon execution of the agreement. Clients should understand that the fee the client negotiates with IAR may be higher than the fees charged by other investment advisors for similar services.

The factors considered in negotiating the planning fee include the specific nature of services rendered and the complexity of a client's planning needs.

Financial Planning fees may be billed at an hourly rate not to exceed \$500 per hour or as a flat fee. BGAM does not limit the amount of the flat fee or the aggregate fee for hourly fee engagements because the fees are dictated by the scope of the engagement.

Account fees for services in excess of financial planning.

BGAM's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the client for investment management decisions made by the client in response to the financial planning services.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to planning fees. All the foregoing costs should be discussed with your IAR.

Clients are responsible for clearing, custodial, transaction and miscellaneous charges, such as a postage or confirmation fees, that are passed onto the client from a Custodian's or its clearing broker-dealer, and, to the extent that the client chooses Bolton Global Capital ("BGC") as its Custodian, in the case of trade confirmation and annual account fees, contain a mark-up included by the Custodian. If you transact in fixed income instruments in a non-wrap fee based advisory account, you may bear administrative transaction charges for purchases, sales and exchanges in the account, depending on the practices of the Custodian.

In your account agreement with the Custodian, you typically authorize the Custodian to deduct from your account the transaction charges and other fees applicable to your account. The transaction charges are typically paid to the Custodian to defray costs associated with trade execution; however, these costs may not directly or proportionally relate to transaction-related expenses of the Custodian and may be a source of revenue to it for the brokerage services it provides, depending on the business practices of the Custodian. Where BGC serves as the Custodian of the client's accounts, the maximum administrative transaction charges for each fixed income instrument transaction are the greater of \$50.00 or 10 basis points (.10% of principal). For Treasury Bills and Notes, the maximum charge is further limited to the greater of \$25 or 2 basis points (.02% of principal). The transaction charges are applied by the Custodian and are not shared with BGAM or its IARs.

The schedule of service fees applicable to your account are available from the Custodian. If BGC serves as your custodian, its Schedule of Services Fees applicable to your account are available at <https://boltonglobal.com/doc/ScheduleOfServiceFees.pdf> or requested from BGAM or your IAR.

The fees assessed by the Custodian are determined exclusively by them and without the influence of BGAM, taking into consideration all facts and circumstances deemed relevant by the custodian, including but not limited to market conditions with respect to such security at the time of the transaction, the time, expense, responsiveness need and service involved, the value of any service the Custodian may have rendered by reason of its experience in and knowledge of such security and the fact that the Custodian is entitled to remuneration. Again, BGAM is not involved in the Custodian's or its clearing broker-dealer's fee determination.

C. TPAM Fees and Compensation

For TPAMs, clients pay an advisory fee as set out in the client agreement with the TPAM sponsor. The fee is typically negotiated among the TPAM sponsor, the IAR and the client. The TPAM sponsor may establish a fee schedule or set a minimum or maximum fee. The TPAM fee schedule will be set out in the disclosure brochure provided by the TPAM sponsor. The advisory fee typically is based on the value of assets under management reported by the custodian of the assets for the account and will vary by program. Typically, the advisory fee will be deducted from the account by the Custodian and paid quarterly in arrears or in advance, consistent with the TPAMS and/or Custodian's billing practices.

The advisory fee is paid to the TPAM sponsor, who in turn pays a portion to BGAM in BGAM's role as a solicitor to the TPAM. A TPAM account may be terminated by the client or the TPAM pursuant to the terms outlined in the TPAM client agreement. The TPAM Brochure or client agreement will explain how clients will obtain a refund of any pre-paid fee if the agreement is terminated before the end of a billing period.

#### Account fees for services in excess of TPAM investment management

There are other fees and charges imposed by third parties that apply to investments in TPAM accounts. Some of these fees and charges are described below and should be outlined in the TPAM's disclosure brochures.

If assets are invested in mutual funds, ETFs or other pooled funds, there are two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay the TPAM advisory fee with respect to those assets.

A mutual fund in a TPAM program account may pay an asset-based sales charge or service fee (e.g., 12b-1 fee) that is paid to the broker-dealer on the account. BGAM and IARs are not paid these fees for TPAM program accounts.

If client transfers into a TPAM account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

If client holds a variable annuity that is managed as part of a TPAM account, the annuity issuer will assess fees that include but are not limited to mortality, expense and administrative charges, fees for additional riders on the contract, and charges for excessive transfers within a calendar year.

If client holds a UIT in a program account, UIT sponsors charge creation and development fees or similar fees. Further information regarding fees assessed by a mutual fund, variable annuity or UIT is available in the appropriate prospectus, which clients may request from the IAR.

If the TPAM program is a wrap fee program, clients should understand that the wrap fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the TPAM, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:

- type and size of the account;
- types of securities in the account;

- historical and/or expected size or number of trades for the account; and
- number and range of supplementary advisory and client-related services provided to the client.

The investment products and services available to be purchased in TPAM program accounts can be purchased by clients outside of a TPAM program account, through BGAM or through broker-dealers or other investment firms not affiliated with BGAM or the TPAM.

#### D. Other Compensation

Certain IARs of BGAM are also registered representatives (RRs) of BGC, an affiliated broker-dealer. These BGAM investment advisor representatives, in certain instances, receive selling or ongoing or trailing compensation from BGC for the facilitation of certain securities transactions on a client's behalf through BGC. This arrangement presents a conflict of interest and gives the IAR incentive to recommend investment products based on the compensation received, rather than the lowest cost option available to the client.

- A. BGAM IARs may select or continue to hold in your account share classes of mutual funds that pay BGC and BGAM IARs (in their capacity as a RR (Registered Representative) 12b-1 fees (or in the case of offshore funds, revenue sharing payments) when lower-cost institutional or advisory share classes of the same mutual fund or offshore fund are available and/or could be made available for purchase or exchange (with held shares). As a matter of policy and fee pricing practices, BGC retains these 12b-1 fees and revenue sharing payments and does not credit these back to the client but does share these fees with the IAR, in their capacity as an RR. Regardless of whether BGC shares the 12b-1 fees and revenue sharing payments with the IAR in their capacity as an RR, the payment of the 12b-1 fees and revenue sharing payments to BGC represents a conflict of interest by virtue of BGAM's affiliation with BGC and its RRs.

Generally, your IAR considers their receipt of any 12b-1 fees (in their capacity as a RR) when negotiating and setting the advisory fee as part of the compensation arrangement on your account. Converting existing mutual fund shares held in your account to a lower cost mutual fund share class that pays a lower or no 12b-1 fee to the IAR (in their capacity as a RR) may result in your FA requesting an adjustment to the advisory fee charged to the account to maintain the level of compensation that existed when the receipt of 12b-1 fee was a component of the overall compensation arrangement on the account. BGAM does not receive 12b-1 fees or revenue sharing payments but its affiliated broker dealer BGC does. Fund share classes which have higher expenses because of 12(b) 1 fees or revenue sharing payments will have a lower investment return than share classes of the same fund which do not have 12(b) fees or revenue sharing payment arrangements.

In most cases, multiple share classes of the same mutual fund or offshore fund are available for purchase. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes typically have lower expense ratios and are less costly for a client to hold than Class A shares and other share classes that may be eligible for purchase in an advisory account. Mutual funds and offshore funds that offer institutional share classes, advisory share classes, and other share classes with lower expense ratios are available to investors who meet specific eligibility requirements that are described in the mutual fund's prospectus or its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amounts, accounts that the fund considers qualified fee-based programs or situations where the mutual fund will waive eligibility requirements. It is also possible that the lowest cost mutual fund or offshore fund share class for a particular fund may not be offered through BGAM or available for

purchase within specific types of accounts. Clients should not assume nor have the expectation that they will be invested or that their existing share positions will be converted into the share class with a lower or the lowest possible expense ratio or cost, whenever such lower cost share class may become available, and the availability of lower cost shares should be discussed with your IAR.

BGAM urges clients to discuss with their IAR whether lower-cost share classes are available and appropriate given their expected holding period, amount invested, trading frequency, the relationship compensation arrangement and the amount of the advisory fee charged, whether the client will pay transaction charges for fund purchases and sales, whether clients will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and relevant tax considerations. An advisor may recommend, select, or continue to hold a fund share class, including share classes that were purchased elsewhere and transferred into BGAM, that charges client's higher internal expenses than other available share classes for the same fund. Again, clients should not assume that they will be invested or that their existing share positions will be converted, into the share class with a lower or the lowest possible expense ratio or cost, whenever such lower cost share class may become available, and the availability of lower cost shares should be discussed with your IAR.

BGAM IARs may recommend that clients invest in offshore funds that are registered and formed outside of the United States. These funds are obligated to follow the laws of the country in which they are domiciled. The compensation received by BGC from the offshore fund will generally include a revenue sharing payment like a 12b-1 fee. The revenue sharing payment will differ from fund to fund. BGC will generally share this revenue sharing payment with IARs in their capacity as a RR of BGC. Regardless of whether BGC shares the revenue sharing payments with the IAR in their capacity as a RR of BGC, the payment of the fees to BGC represents a conflict of interest by virtue of BGAM's affiliation with BGC and its RRs. Offshore mutual funds are typically used by offshore clients. Offshore client relationships are generally more costly to service and support and therefore, receipt and retention of revenue sharing payments serves as a component of the overall compensation arrangement with the client along with the account advisory fee. BGAM urges clients to discuss with their IAR whether lower cost offshore share classes are available and appropriate given their expected holding period, amount invested, trading frequency, the relationship compensation arrangement and the amount of advisory fee charged, whether the client will pay transaction charges for fund purchases and sales, whether clients will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and relevant tax considerations. An IAR may recommend, select, or continue to hold a fund share class that charges clients higher internal expenses than other available share classes of the same fund. Clients should not assume nor have the expectation that they will be invested or that their existing share positions will be converted into the share class with a lower or the lowest possible expense ratio or cost, whenever such lower cost share class may become available, and the availability of lower cost shares should be discussed with your IAR.

The purchase or sale of certain funds available for investment through BGAM will result in the assessment of transaction charges to you, your advisor, or BGAM. Although no transaction-fee ("NTF") funds do not assess transaction charges, most NTF funds have higher internal expenses than funds that do not participate in an NTF program. These higher internal fund expenses are assessed to investors who purchase or hold NTF funds. Depending upon the frequency of trading and hold periods, NTF funds may cost you more, or may cost BGAM or your BGAM advisor less, than mutual funds that assess transaction charges but have lower internal expenses. In addition, the higher internal expenses charged to clients who hold NTF funds will adversely affect the long-term performance of a client's account when compared to share classes of the same fund that assess lower internal expenses.

These fees, transaction charges, and availability of various fund share classes with lower internal expenses

present a rest between clients and BGAM and/or its advisors because BGAM and/or your advisor has a greater incentive to make available, recommend, or make investment decisions regarding investments that provide additional compensation to BGC, its RR, BGAM or your advisor or cost clients more than other similarly available investments.

For those BGAM advisory programs that assess transaction charges to clients or to BGAM or the advisor, a conflict of interest exists because BGAM or your advisor has a financial incentive to recommend or select NTF funds that do not assess transaction charges but cost you more in internal expenses than funds that do assess transaction charges but cost you less in internal expenses.

In addition to reading this Brochure carefully, clients are urged to inquire whether lower-cost share classes are available and/or appropriate for their account in consideration of the client's expected investment holding periods, amounts invested, anticipated trading frequency, and the relationship compensation arrangement and amount of the advisory fee charged. Further information regarding fees and charges assessed by a mutual funds and offshore funds are available in the appropriate fund prospectus or offering materials and memoranda.

Investment Advisory Representatives (IARs) may be provided with compensation upon joining BGAM or a broker-dealer affiliate. This compensation can take the form of waived fees or income provided on a forgivable or repayable basis under the terms of a promissory note or other arrangement. This compensation is intended to assist the individual with transitioning their accounts and client relationships to BGAM or its broker-dealer affiliate and/or to provide income for the IAR during a period when his or her income-making capacity is impacted by the account transition process. This creates a conflict of interest inasmuch as it provides an incentive for the IAR to transition accounts and client relationships to BGAM or a broker-dealer affiliate.

#### **B. Termination of the Advisory Engagement and Return of Unearned Compensation to Clients**

BGAM or the client may terminate their advisory agreement at any time upon thirty (30) days written notice.

For investment management services where BGAM's fee is a percentage of the assets under management, fees will be billed on a pro rata basis calculated from the beginning of the quarter that the contract is terminated through the termination date. For accounts billed in advance, prepaid but unearned asset-based fees will be promptly refunded to the client. For accounts billed in arrears the asset-based fee from the beginning of the quarter through the termination date will be billed promptly after the termination notice is provided. Client may also terminate relationship within five (5) business days of executing an investment management agreement without incurring any penalty or fees.

For financial planning engagements, any prepaid but unearned management fees will be promptly returned to the client if the engagement is terminated before the completion of the financial planning services.

For TPAM engagements, the return of unearned compensation is subject to the practices of the TPAM. Please refer to the TPAM's disclosure brochure.

### **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY SIDE MANAGEMENT**

BGAM can agree to a performance fee arrangement with a "qualified" client as defined in the Investment Adviser's act of 1940 or clients otherwise exempt from the SEC's prohibition of performance fees.



*The following paragraph contains important conflicts of interest to consider.* A potential conflict exists under any performance-based fee structure such that assets could be managed to maximize client investment performance by taking additional investment risk. To mitigate the potential for such conflict the accounts are subject to regular reviews. An additional conflict of interest exists since performance-based fees incentivize the BGAM to overvalue investments that lack a market quotation. To mitigate the potential for such conflicts of interest, BGAM does not provide a value for any investment subject to a performance-based fee. Rather it relies on the Custodian of the account or asset or the sponsor of the investment to provide a valuation of the investment. A third conflict of interest exists when BGAM charges some clients a performance-based fee while simultaneously charging other clients a fee that is not contingent on the performance attained in the account ("Side-by-Side Management"). Side-by-Side Management may give BGAM an incentive to allocate limited investment opportunities, such as IPOs to investors who pay performance-based fees. To mitigate the potential for such conflicts of interest, BGAM does not engage in IPOs or other limited investment opportunities that would encourage it to allocate investment opportunities among performance fee paying accounts and asset-based fee-paying accounts differently.

The means by which the performance-based fee is calculated is disclosed to the client in the advisory agreement.

Either the client or BGAM may terminate the performance-based fee structure at the end of each year. Such termination request should be made in writing and received by the other party before December 31st of the concluding year.

## **ITEM 7 – TYPES OF CLIENTS**

BGAM provides asset management services to individuals, high net worth individuals, banks, trusts, estates and charitable organizations, corporate pension and profit-sharing plans, and institutions.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis**

The methods of analysis employed by BGAM include but are not limited to the following.

- **Charting:** Review of charts of market and security activity to discern trends in market movements to potentially predict future market trends.
- **Fundamental Analysis:** evaluation of economic and financial factors to determine if a security may be underpriced, overpriced or fairly priced.
- **Technical Analysis:** Analysis of past market movements and apply that analysis to the present conditions to recognize recurring patterns of investor behavior and potentially predict future price movement.
- **Cyclical Analysis:** Analysis of past market movements and apply that analysis to recognize recurring patterns of investor behavior and potentially predict future price movements.
- **Quantitative Analysis:** Analysis of mathematical models in an attempt to obtain more accurate measurements of a company's value to potentially predict changes to that data.
- **Qualitative Analysis:** Subjective evaluation of non-quantifiable factors in an attempt to potentially predict changes to share price based on that data.
- **Asset Allocation:** Attempts to identify an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance.

- **Mutual Fund and/or ETF Analysis:** Evaluation of a variety of factors in an attempt to potentially predict the future performance of the mutual fund or ETF. BGAM may consider, among other things, the experience, expertise, investment philosophy, and past performance to determine if the manager has demonstrated an ability to invest over a period and in different economic conditions. The IAR may monitor the manager's underlying holdings, strategies and concentrations.
- **Third Party Money Manager Analysis:** Evaluation of the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. BGAM may monitor the manager's underlying holdings, strategies and concentrations.
- **Criteria-based Analysis:** Evaluation of client-based risk profile information derived from information provided by the client.

## B. Investment Strategies

Considering the methods on analysis employed in a particular client circumstance, the investment strategies employed by BGAM include the following. Investing, in general, involves an amount of risk that you will lose your principal investment and/or not generate your desired result. Each of the strategies discussed below involve different degrees of risk. You must be willing to accept the risk involved with your desired investment strategy. Please refer to the Risk of Loss section, immediately following this section, for further information concerning the risk of investment loss.

- **Long-term purchases:** This strategy generally involves holding a security for at least a year and potentially longer.
- **Short-term purchases:** This strategy generally involves holding a security for less than a year.
- **Active trading:** This strategy generally involves selling securities within 30 days of purchasing.
- **Margin:** This strategy involves using one's current holdings as collateral to buy additional securities. Clients must complete specific paperwork to allow for such trading to occur in their account(s).
- **Option writing, including covered options, uncovered options or spreading strategies:** Writing an option refers to the act of selling an option. An option is the right, but not obligation, to buy or sell a particular trading instrument at a specified price, on or before its expiration. When someone writes an option, they must deliver to the buyer a specified number of shares if the option is exercised. The writer has an obligation to perform a duty while the buyer has the option to act. In the case of writing covered options the writer owns the security in advance of having to deliver should the buyer exercise the option. In the case of writing an uncovered option the seller does not own the security and would be subject to additional market risk should the option be executed. Spread strategies involve multiple options trading. Clients must complete additional documents in order to qualify for option trading.
- **Tax abatement strategies:** Customized investment advisory services structuring and maintaining portfolios of financial assets, appropriate to the specific client needs and objectives, and consistent with an assumed universal desire to minimize taxes.
- **Third-party manager or multi-manager strategies.** Recommending one or more third-party registered investment advisors to provide research, advice, and guidance or investment management services regarding assets under management is employed when the client's unique circumstances warrant the services of the third party. Such arrangements range from the other advisor providing research ideas that BGAM may or may not implement, to a sub-advisor having full discretion over a BGAM client's assets.

### C. Risk of Loss

It is important to understand that no methodology or investment strategy is guaranteed to be successful or profitable. There are risks inherent in each type of analysis, including those listed above. For example, a risk of any method of analysis that considers past performance as a predictor of future performance is that past performance is no guarantee of future results.

Some methods of analysis, such as fundamental analysis, focus on identifying the value of the company, without considering external factors such as market movements. Failure to consider external factors presents a potential risk, as the price of a security may be impacted by the overall market, regardless of the economic and financial factors considered in evaluating the specific stock.

Other methods of analysis, such as technical analysis, evaluate external factors, but do not consider the underlying financial condition of a company. Failure to consider a company's underlying value presents a risk that a poorly managed or financially unsound company may under-perform regardless of positive market movements.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as BGAM does not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for clients. Moreover, as BGAM does not control the manager's daily business and compliance operations, BGAM may not be aware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Most methods of analysis require the IAR to make one or more assumptions or subjective judgments. If any of the assumptions or judgments are incorrect or are not realized, then the analysis may be inaccurate. Finally, all of the methods of analysis described above rely on the assumption that all publicly available sources of information are accurate, and that the analysis is not compromised by inaccurate or misleading information.

Depending on the type of service being provided, BGAM and IARs can recommend different types of securities, including mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, collective investment trusts, variable annuity subaccounts, equities, fixed income securities, options, hedge funds, managed futures, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an IAR can recommend depending on the service provided.

- **Market Risk:** This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk:** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk:** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Issuer-Specific Risk:** This is the risk that the value of an individual security or particular type of

security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

- **Investment Company Risk:** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in the shares of that investment company, which would be taxable when distributed.
- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk:** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- **Alternative Strategy Mutual Funds:** Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- **Closed-End/Interval Funds:** Clients should be aware that closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited number of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.
- **Exchange-Traded Funds (ETFs):** ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the

ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.

- **Exchange-Traded Notes (ETNs):** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows: The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- **Leveraged and Inverse ETFs, ETNs and Mutual Funds:** Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically daily. Inverse products are designed to provide the opposite of the return of the underlying index, typically daily. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- **Options:** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Structured Products:** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether the investment held in the account offers principal protection or not. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price

of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **High-Yield Debt:** High-yield debt is issued by companies or municipalities that do not qualify for "investment grade" ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- **Hedge Funds and Managed Futures:** Hedge and managed futures funds may be purchased by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. The client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Business Development Companies (BDCs):** BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating-rate/leveraged loan funds, private real estate investment trusts ("REITs") and limited partnerships, investors are exposed to significant market, credit and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid portfolios. Due to the illiquid nature of non-traded BDCs, investors' exit opportunities may be limited only to periodic share repurchases by the BDC at high discounts.
- **Variable Annuities:** If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts. Additionally, the decision to liquidate an annuity prior to its maturity date may result in surrender charges and a complete loss of certain benefits for which significant fees may have previously paid to the annuity issuer. The use of a Variable Annuity within a qualified retirement account may not be a tax efficient strategy.

- **Company Stock:** If company stock is available as an investment option to client in a retirement plan, and if client chooses to invest in company stock, client should understand the risks associated with holding company stock in a retirement plan. These risks may include, but are not necessarily limited to, lack of liquidity, over-dependency on client's employer, and less flexibility to change the allocation of plan assets. Client should pay careful consideration to the benefits of a diversified portfolio. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.

## ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BGAM or the integrity of BGAM's management. In February 2021 Bolton Securities Corporation (dba BGAM) resolved a civil matter filed by the SEC against the firm in 2019 related to mutual fund disclosures and principal trading activity during the period of 2014-2017. The matter originated from the SEC's 2018 Share Class Selection Disclosure Initiative that involved over 100 federally registered investment advisers and was not unique to Bolton Securities Corporation. Further details may be found at the following web address:

<https://www.sec.gov/litigation/litreleases/2021/lr25037.htm>.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. Affiliated Broker-Dealer and Registered Representatives

#### Relationship

BGAM is a registered broker-dealer that presently does not engage in broker-dealer activity.

BGAM is under common control with Bolton Global Capital ("Bolton"), a FINRA member broker-dealer. As a result of the common control, BGAM and Bolton offer investment programs in which Bolton provides certain services such as brokerage, custodial and execution services as the introducing broker-dealer to Pershing LLC. This relationship results in a conflict of interest because the compensation that Bolton received for services provided to BGAM clients can incentivize BGAM to direct clients to that broker-dealer as custodian of the client's account. BGAM mitigates this conflict by routinely assessing the services provided by Bolton in comparison to similar services provided by broker-dealers that are not under common control with BGAM. BGAM does this to ensure that Bolton provides the best execution to its Clients. Additionally, you may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through Bolton. However, if you do not use Bolton, BGAM may not be able to accept your account.

The majority of BGAM's principals and IARs are also associated with Bolton as registered representatives (RRs). IARs who are affiliated with Bolton will recommend Bolton to you for brokerage services. It may be the case that Bolton charges higher transaction costs than other broker-dealers for the same services. Also, when you are engaged by a person in their RR capacity through Bolton, the RR may be paid commission-based compensation relating to the recommended brokerage transaction. This practice presents a conflict of interest because the RR has an incentive to recommend securities transactions to generate commission compensation. BGAM monitors the receipt of commission-based compensation by its IARs to identify and

mitigate potential conflicts of interest.

## Money Market and Bank Sweep Program Disclosure Statement Summary

### Introduction

BGC's Money Market and Bank Sweep Program (the "Sweep Program") is the service made available by the custodian of advisory accounts and permits the uninvested cash or "free credit balance" in your advisory account to earn income while not invested in securities. The Sweep Program provides two ways to earn income on the free credit balances in the account, one using money market funds as the interest-bearing vehicle (the "Money Fund Sweep" option") and one using a bank deposit as the interest-dealing vehicle (the "Bank Sweep" option). The Money Fund Sweep option systematically invests in and redeems funds from a money market fund overnight on a daily basis. The "Bank Sweep" feature systematically deposits and withdraws funds using deposit accounts at participating banks, all of which are FDIC insured depository institutions ("Participating Banks"). The Money Market Sweep option and Bank Sweep option are collectively called the "Cash Features". Clients are provided a choice of available Cash Features by the custodian, the client must select the preferred Cash Feature. Where the client fails to elect a Cash Feature or elects a Cash Feature that is or becomes unavailable for the account, the Money Fund Sweep is the default Sweep Program option.

In addition to the distribution assistance described below, BGC considers additional factors when selecting funds and deposit accounts to be available in its Money Market and Bank Sweep program. These factors include, but are not limited to, the availability of the fund for use in a particular type of account (institutional, retail or retirement), investment minimums, liquidity fees and gates and fund cutoff times (as earlier cutoff times have a greater chance of causing overnight interest charges to the client).

For money market accounts, including those in the Money Market Fund option, BGC, in its capacity as the introducing firm to the primary account custodian, Pershing LLC, receives a portion or all the 12b (1) fees (distribution expense or trail). Please refer to Item 5 of the Disclosure Brochure for important considerations and disclosures concerning the 12b-1 fees received by BGC. In addition to those disclosures, clients are made aware that other money market funds may be available in the Money Market Fund option which have lower expenses (lower 12b (1) fees or distribution expenses) and accordingly pay a higher yield or rate of interest to the Client. Additionally, BGC shares in revenue received by the primary custodian of accounts, Pershing LLC, relating to client balances swept into the Money Fund Sweep option in the form of fees based upon the asset levels within each money market fund family. Amounts will vary, but in no event will they be more than .51% on an annualized basis. As a result of the fees and benefits described above, the Money Fund Sweep option may be more profitable to BGC than other available sweep options, if any, and other available sweep options, if any, may provide you higher rates of return. These s present conflicts of interest and gives BGC or BGAM the incentive to select the Money Market Fund or Bank Sweep option based on compensation received, rather than the lowest cost or highest yielding option available to the client. This conflict of interest is mitigated by the fact that BGC and BGAM do not make a recommendation to clients concerning the Sweep Option, allowing the client to select the preferred Sweep Option.

You may request a full copy of the Money Market and Bank Sweep Program Disclosure Statement from your investment advisor representative, by contacting Bolton Global Asset Management (Bolton Securities) or by typing the following internet link into your internet browser:

<http://boltonglobal.com/doc/sweep-program-disclosure-statement.pdf>

### Benefits to Participating Banks



Participating banks intend to use the cash balances in the Deposit Accounts to fund current and new lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or “spread,” between the interest rate paid on the Deposit Accounts and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by participating banks on the loans and investments made with the funds in the Deposit Accounts. The income that participating banks will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by Bolton Global and its affiliates from managing and distributing the sweep funds. Such deposits are anticipated to provide a stable source of funds for participating banks’ lending and investment activities.

**B. Futures Activities**

BGAM maintains an introducing broker registration with the National Futures Association but presently does not engage in any futures trading activities.

**C. Insurance Activities**

BGAM is under common control with Delta Financial Insurance Brokerage, Inc. (“Delta Insurance”). Delta Insurance engages in variable insurance and annuity business. BGAM IARs may be affiliated with Delta Insurance to provide insurance services to clients. To the extent that a BGAM advisor recommends that a client invest in insurance through Delta Insurance, the affiliation and compensation therefrom results in a conflict of interest for BGAM and the IAR.

**D. Information on Other Product and Services Related Compensation**

Through Their dually registered RRs/IARS, BGC and BGAM offer a broad array of investment products and services to investors, some of whom may concurrently receive commission-based brokerage services from BGC and fee-based advisory services from BGAM. Sponsors of some of the investment products and services BGC and/or BGAM sell or recommend participate in activities that may help facilitate the distribution of their products by making RRs/IARS more knowledgeable about their investment products and services, such as marketing activities and educational programs for which BGC, BGAM or the RRs/IARS receive compensation.

With regards to mutual fund products and offshore funds, as noted elsewhere in this Brochure, BGC receives 12b-1 fees, revenue sharing or other rebates directly or through Pershing LLC for servicing assets held in investor accounts. These fees, revenues and rebates are in addition to commissions, and other fees and expenses disclosed in a fund's prospectus fee table.

**ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS**

**A. Code of Ethics**

BGAM has implemented a Code of Ethics that defines our fiduciary commitment to each client. This Code of Ethics applies to all supervised persons associated with BGAM. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to our clients. BGAM and its supervised persons owe a duty of loyalty, fairness, and good faith towards each client. It is the obligation of BGAM supervised persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee

ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at the telephone number or e-mail address written on the cover page.

#### B. Principal and Agency Cross Transactions

Bolton generally does not affect any principal or agency cross securities transactions for BGAM client accounts. Bolton also does not generally cross trades between BGAM client accounts. Any such trade is treated as an exception and receives scrutiny, adherence to regulatory rule requirements and pre-approval. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction is also deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Item 5 of this brochure provides further detail on the costs associated with fixed income trading in your account. To the extent that fixed income instruments are transacted in your account outside of the manner described in Item 5 of this brochure, such trading will be conducted on a riskless principal basis and with your prior approval in accordance with Section 206(3) of the Investment Advisers Act of 1940.

### ITEM 12 – BROKERAGE PRACTICES

#### A. Directed Brokerage

BGAM generally requires that a client direct brokerage transaction to Bolton for trade execution. Trade execution is conducted through Bolton's clearing broker-dealer, Pershing LLC ("Pershing").

BGAM believes that Pershing offers the client competitive pricing and services. In our opinion Pershing offers their clients substantial financial strength and stability, economies of scale, and reliable, state-of-the-art technology. Bolton Securities does not currently hold or transact for any BGAM accounts. Should BGAM utilize Bolton Securities in the future, all disclosures and terms contained in this brochure will apply to your account held at Bolton Securities' clearing broker dealer and custodian and serviced by Bolton Securities.

The Schedule of Service Fees applicable to your account may be found at <https://boltonglobal.com/doc/ScheduleOfServiceFees.pdf> or requested from your advisor.

As noted on this Schedule, some fees also include a Bolton markup that is a source of compensation to Bolton and intended, in part, to offset the costs associated with servicing your account. While Bolton supports the cost of operations to process client transactions, these mark ups may exceed the actual cost of processing a transaction subject to a mark-up. For example, if your account is charged a fee for an outgoing wire, a portion of that charge is a markup that was added by and is paid to Bolton for processing the transaction. This is a conflict of interest in that Bolton Global Asset Management generally requires that a client direct brokerage transactions to Bolton or Bolton Securities\* for trade execution and account custody and Bolton and Bolton Securities\* are authorized to direct its clearing firm to mark-up certain fees and Bolton and Bolton Securities\* receive these mark ups indirectly from your account and this arrangement provides a financial incentive for Bolton and Bolton Securities\* to maintain its relationship

with its clearing broker so that it may continue to receive these mark ups.

The direction of brokerage transactions to Bolton and Bolton Securities can provide a financial benefit to BGAM's personnel who are also registered representatives of Bolton Securities in its capacity as a broker-dealer and/or Bolton. This situation differs from other investment advisers that do not require its clients to direct brokerage transactions to a broker-dealer or to a broker-dealer where advisory personnel have a financial interest in the brokerage commissions that clients pay. In executing fixed income (bond) transactions for BGAM clients, Bolton and Bolton Securities earn revenue in the form of an administrative transaction charge detailed in this brochure below and at Item 5 and will, in limited circumstances, earn mark-up or mark down revenue as a result of riskless principal trading as described in Item 11, above.

If you transact in fixed income instruments in your non-wrap fee based advisory account, you will bear administrative transaction charges for purchases, sales and exchanges in Account. You have authorized Bolton to deduct from your Account the transaction charges and other fees applicable to your Account. The transaction charges are paid to Bolton to defray costs associated with trade execution; however, these are not directly and proportionately related to transaction-related expenses of Bolton and are a source of revenue to Bolton. The maximum administrative transaction charges for each fixed income instrument transaction are the greater of \$50.00 or 10 basis points (.10% of principal). For Treasury Bills and Notes, the maximum charge is \$25 or 2 basis points (.02% of principal), value whichever is greater. The transaction charges are applied by Bolton and are not shared with BGAM or its IARs. The administrative transaction charges are in excess of your advisory fees paid to BGAM and are subject to reduction at the discretion of the Bolton trading desk. Because of these practices and/or in certain instances BGAM will be unable to achieve the most favorable execution of client transactions and this practice will result in the client incurring higher costs and paying higher fees. BGAM advisors who are also registered representatives of Bolton may also charge a commission in the amount adequate and approximated to cover any ticket or transactional fees they are assessed as a result of a trade in your account.

Factors that BGAM considers in recommending certain broker-dealers or custodians to clients include, but not limited to, such entity's financial strength, reputation, execution, pricing, efficiency, and service. In return for effecting securities transactions through certain broker-dealers/custodians, BGAM or some of its representatives can receive certain support services that may assist BGAM in its investment decision-making process for all BGAM's clients.

## **B. Best Execution**

As an investment advisory firm, BGAM has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather it appears to be collective considerations of factors concerning the trade in question. Such factors include, but are not necessarily limited to, the security being traded, the price of the trade, the speed of the execution, apparent conditions and liquidity of the market at the time the trade is placed, and the specific needs of the clients. BGAM seeks to obtain best execution for its clients' transactions, which may not necessarily mean the best price or lowest commission available. Bolton and Bolton Securities receive compensation for trading in fixed income securities on behalf of an advisory account and as such, the client may not receive the best available market price on the purchase and sale of fixed income securities. If you transact in fixed income instruments in your non-wrap fee based advisory account, you will bear administrative transaction charges for purchases, sales and exchanges in Account. You have authorized Bolton to deduct from your Account the transaction charges and other fees applicable to your Account. The transaction charges are paid to Bolton to defray costs associated with trade execution; however, they are not directly or proportionately related to

transaction-related expenses of Bolton and are a source of revenue to Bolton. Please refer to Section A of this Item 12, above, for further details. BGAM advisors may also charge a commission in the amount adequate and approximated to cover any ticket or transactional fees they are assessed as a result of a trade in your account.

#### C. Trade Errors

In the event a trade error occurs in a client account, and such error is determined to be caused by Bolton, Bolton Securities, their respective RR's, BGAM or its IAR, or any other person other than the client or a person authorized to act on the client's behalf, BGAM, its IAR, Bolton or Bolton Securities will cancel the trade and absorb the resulting monetary loss from the client account. In the case of a trade error that requires a correction and such correction results in a monetary gain to the client, such gain will be removed from the client account and will result in a financial benefit to entity correcting the trade and/or its representatives.

#### D. Trade Aggregation

Generally, BGAM's investment advisor representatives effect client transactions independently. BGAM representatives may, but are not required to, block or aggregate orders to allocate equitably among clients, potentially resulting in differences in prices that might have been obtained had such orders been placed independently. This blocking or aggregating technique must be equitable for each account. Block trading is performed when it is consistent with the duty to seek best execution. BGAM directs execution of block transactions in a manner designed to ensure that no client is favored over any other client. Under this procedure, transactions will generally be averaged as to price and allocated among client's pro rata to the purchase and sale orders placed for each client on any given day. BGAM's policy is to allow investment adviser representatives to engage in this technique when it is consistent with the way the representative conducts his or her investment advisory activities.

### **ITEM 13 – REVIEW OF ACCOUNTS**

Accounts are reviewed on a regular basis. In addition, each account is reviewed periodically to evaluate performance against relevant benchmarks and to determine if the investments remain consistent with the client's financial objectives and suitability needs. Accounts are reviewed more frequently as necessary to respond to significant changes in the account.

Events that trigger the further account reviews may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in the accounts, where such transactions can appear to be inconsistent with the client's previously stated investment objectives. Additional factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and customer complaints.

Account Reviews are conducted by personnel within BGAM's supervision department, according to guidelines developed by the Firm. The guidelines are used internally and BGAM does not publish these instructions.

Clients receive reports of their investment holdings from the custodian of the account showing the current value of the positions, the change in value of the account from the previous period, as well as all transactions, dividends, account deposits, withdrawals, fees and other certain charges.

For financial planning, the client agreement for financial planning services terminates upon delivery of the plan. However, clients are encouraged to update their financial plans annually. Such annual reviews are conducted at the election of the client and a new agreement for services between BGAM, the client and the IAR will be required. The review may consist of a new personal financial plan if the client's circumstances and/or goals have changed (updated financial plan). Alternatively, the review may be a comparison of the client's current assets and goals as stated in the personal financial plan (progress report).

For TPAM services, IARs review, on an ongoing basis, client accounts and meet with clients to review such items as accounts statements, quarterly performance information, and other information or data related to the client's account and investment objective. The TPAM sponsor or custodian of the TPAM account assets send clients regular written reports and statements regarding the account.

TPAMS generally provide the client with a quarterly report of account holdings, transactions, and investment performance.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

If the client is introduced to BGAM by a solicitor, BGAM will pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 (of the Investment Advisers Act of 1940 as amended. Any such referral fee shall be paid solely from BGAM's investment management fee and shall not result in any additional charge to the client. Because BGAM is engaged by and compensates the third-party solicitor for the referral, it presents a conflict of interest. BGAM addresses this conflict by providing the client with its disclosures in this Brochure in addition to the delivery of a Solicitors Disclosure Document.

BGAM, BGAM employees and IARs receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with IAR, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors also pay for, or reimburse BGAM for the costs associated with, education or training events that are attended by BGAM employees and IARs and for BGAM, or its affiliates sponsored conferences and events.

BGC receives cash incentives from its clearing firm, Pershing LLC, for assets BGC places on the Pershing platform. This includes accounts directed by BGAM to BGC. In limited situations, BGAM advisors can direct assets to different platforms other than BGC and Pershing LLC, thus the election to custody via Pershing creates a conflict of interest.

#### **ITEM 15 – CUSTODY**

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. BGAM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **ITEM 16 – INVESTMENT DISCRETION**

BGAM usually receives discretionary authority from the client at the outset of an advisory relationship to

select the type, identity and number of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account.

When selecting securities and determining amounts, BGAM observes the investment policies, limitations, and restrictions of the clients for whom it advises. As a registered investment adviser, BGAM's authority to trade securities is sometimes also limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to BGAM in writing.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

As a matter of firm policy and practice, BGAM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. In certain instances, BGAM can provide advice to clients regarding the clients' voting of proxies.

#### **ITEM 18 – FINANCIAL INFORMATION**

Neither BGAM, nor its management, have any adverse financial situations that would reasonably impair the ability of BGAM to meet all obligations to its clients. BGAM is not required to deliver a balance sheet along with this Disclosure Brochure, as BGAM does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

## ITEM 1 – COVER PAGE

### **BOLTON GLOBAL ASSET MANAGEMENT**

FORM ADV – PART 2A APPENDIX 1  
WRAP FEE PROGRAM BROCHURE

BOLTON GLOBAL ASSET MANAGEMENT  
579 MAIN STREET  
BOLTON, MASSACHUSETTS 01740  
(978) 779-6947  
[WWW.BOLTONSECURITIES.COM](http://WWW.BOLTONSECURITIES.COM)

MARCH 31<sup>ST</sup>, 2023

**This Appendix is provided to you in supplement to Bolton Global Asset Management’s Form ADV Part II Brochure.** The brochure and this appendix provide information about the qualifications and business practices of Bolton Global Asset Management. If you have any questions about the contents of either document, please contact us at (978) 779-6947. The information herein has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information from The SEC on wrap fee accounts can be found at:

[https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib\\_wrapfeeprograms](https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_wrapfeeprograms)

Bolton Global Asset Management is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an investment advisor provide you with information about which you determine to hire or retain an investment advisor.

Additional information about Bolton Global Asset Management also is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## ITEM 2 – MATERIAL CHANGES

Bolton Global Asset Management (BGAM) believes that communication and transparency are the foundation of its relationship with clients and continually strives to provide its clients with complete and accurate information at all times. BGAM encourages all current and prospective clients to read this Disclosure Brochure Appendix and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

There are no material changes incorporated into this Disclosure Brochure Appendix update.

### Future Changes

From time to time, we may amend this Disclosure Brochure Appendix to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure Appendix or a Summary of Material Changes shall be provided to each client annually or more frequently if a material change occurs in the business practices of BGAM that necessitate disclosure to clients.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 129376. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (978) 779-6947.



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## ITEM 4 – SERVICES, FEES AND COMPENSATION

### A. Services

BGAM provides investment advisory services to clients on a discretionary or nondiscretionary basis. A wrap fee program offers clients a fee structure that includes, as a single fee, the securities transaction costs for trading in client accounts along with the investment advisory fees earned by BGAM. The securities regulations often refer to such a structure as a “Wrap Fee Program”. BGAM offers two categories of Wrap Fee Programs – the BGAM Wrap Fee Program and Custodial Partner Wrap Fee Programs.

The BGAM Wrap Fee Program provides customized wealth advisory services to clients for a single overall fee inclusive of all investment advisory fees and normal securities transaction fees. Under the BGAM Wrap Fee Program investment advisory services are provided through investment advisor representatives selected by the client who serve as the portfolio manager. In addition, BGAM provides advisory services through certain programs sponsored by its custodians, the Custodial Wrap Fee Programs. In both instances, clients of the wrap program receive reports of their investment holdings from the custodian of the account showing the current value of the positions, the change in value of the account from the previous period, as well as all transactions, dividends, account deposits and withdrawals.

Below is a brief description of each BGAM Wrap Fee Program and the Custodial Wrap Fee Programs. For more information regarding the Custodial Wrap Fee Programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and Form ADV program brochure) and the Form ADV, Part 2A of the custodian for the applicable program.

#### The BGAM Wrap Fee Program

Under the BGAM Wrap Fee Program, the investment adviser representative gathers initial and ongoing information from the client about the client’s investment goals, timeline, risk tolerance, tax and estate planning considerations and other important factors (“Investment Criteria”) that are used to either: (i) build and maintain a unique investment portfolio for the client; or (ii) recommend a model portfolio befitting of the client’s needs. The customized and model portfolios are generally comprised of common stocks of high quality, growth companies, mutual funds, exchange traded funds, corporate and government debt, cash and cash equivalents. The portfolios are closely monitored by the portfolio manager to ensure the investments continue to conform to the client’s specified goals and objectives.

#### Custodial Wrap Fee Programs

The Custodial Wrap Fee Programs are programs that are developed and sponsored by BGAM’s custodian of accounts, Pershing LLC. The Custodial Wrap Fee Programs incorporate third party money managers who develop and maintain investment models. Clients investing through a Custodial Wrap Fee Program invest in one or more models recommended by the investment adviser representative upon analysis of the client’s stated Investment Criteria.

## B. Fees and Costs

### The BGAM Wrap Fee Program

The fees associated with the BGAM Wrap Fee Program compensates BGAM for the services rendered in connection with the management of the client's portfolio. A client is charged an asset-based fee which compensates BGAM for providing the investment advisory services and includes brokerage and custodial costs for transactions executed through Bolton Global Capital ("Bolton"), an affiliated broker-dealer, custodian, and introducing broker-dealer to the clearing broker-dealer and custodian, Pershing LLC. Clients of BGAM Wrap Fee Program do not pay any brokerage commissions in addition to the asset-based wrap fee.

Depending on the program, clients may be responsible for clearing, custodial, transaction and miscellaneous charges, such as a postage or confirmation fee, that are passed onto the client from Pershing, LLC, the custodian of accounts and clearing broker-dealer. In executing fixed income (bond) transactions for BGAM, Bolton will earn revenue in the form of a retention or "spread" on the bond trade conducted within an advisory account through the utilization of Bolton's riskless principal trading account and this spread is reflected in the final price of the fixed income transaction within your account. The maximum administrative transaction charges for each fixed income instrument transaction are the greater of \$50.00 or 10 basis points (.10% of principal). For Treasury Bills and Notes, the maximum charge is further limited to the greater of \$25 or 2 basis points (.02% of principal). The transaction charges are applied by the custodian and are not shared with BGAM or its investment adviser representatives.

The schedule of service fees applicable to your account are available from the Custodian. If Bolton serves as your custodian, its Schedule of Services Fees applicable to your account are available at <https://boltonglobal.com/doc/ScheduleOfServiceFees.pdf> or requested from BGAM or your IAR.

### Custodial Wrap Fee Programs

The fees associated with the Custodial Wrap Fee Program compensates BGAM for the services rendered in connection with the recommendation and oversight of the client's portfolio, and the third-party manager's management of the model. A client is charged an asset-based fee which compensates BGAM and the third-party manager for providing the investment advisory services and includes brokerage and custodial costs for transactions executed through Pershing LLC. Clients of the Wrap Program do not pay any brokerage commissions in addition to the asset-based wrap fee.

Depending on the program, clients may be responsible for clearing, custodial, transaction and miscellaneous charges, such as a postage or confirmation fee, that are passed onto the client from Pershing, LLC.

### General Information

The fees assessed by the custodian are determined by taking into consideration all relevant facts and circumstances, including market conditions with respect to such security at the time of the transaction; the time, expense, responsiveness need, and service involved; the value of any service the custodian may have rendered by reason of its experience in and knowledge of such security; and the fact that the custodian is entitled to remuneration. BGAM is not involved in the custodian's fee determination, nor does it participate in the fees assessed by the custodian.

The aggregate fees charged under either the BGAM Wrap Fee Program or a Custodial Wrap Fee Program can vary and are generally negotiable. The aggregate wrap fee can range from between .25% and 2.5% of the assets under management.

BGAM reserves the right to change the fee schedule. If the client(s) agrees to a change in the fee schedule, the change will not become effective until the later of thirty (30) days after client(s) is sent notice of the change or the beginning of the next billing quarter after client(s) is sent notice of the change.

Billing schedules vary and are generally negotiable. Please refer to Item 4 of the Disclosure Brochure for further discussion of BGAM's fee billing practices.

The Wrap Program can, in certain circumstances cost the client more or less than purchasing such services separately. Factors bearing on the relative cost of the Wrap Program to be considered in whether to purchase the services offered in the Wrap Program separately include the trading activity in a client's account and the corresponding brokerage commissions that would be charged for the execution of trades and the fees charged for the investment advisory services.

While BGAM believes its management fees are reasonable in relation to the type of services it provides, fees for comparable services offered by other investment advisors, financial service providers or other investment program/products might be lower.

Clients may terminate their advisory contracts at time with thirty (30) days written notice. When the contract is terminated, fees will be billed on a pro rata basis calculated from the beginning of the quarter that the contract is terminated. When client assets are invested in mutual funds and variable annuities, these securities have their own management fees and expenses in addition to the fees indicate above. BGAM may terminate a client's investment advisory agreement upon thirty (30) days written notice to such client. Upon termination, any prepaid asset-based fees will be promptly refunded on a prorated basis if a client relationship is terminated before the end of a quarter. Client may also terminate relationship within five (5) business days of executing an investment management agreement without incurring any penalty or fees.

## **ITEM 5 –ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

BGAM does not have any conditions or requirements to open or maintain an account in its wrap fee program. BGAM provides asset management services to individuals, high net worth individuals, banks, trusts, estates and charitable organizations, corporate pension and profit-sharing plans, and institutions.

## **ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **A. Portfolio Manager Selection and Evaluation**

Under the BGAM Wrap Fee Program, BGAM serves as the program sponsor and portfolio manager. BGAM provides portfolio management services through its IARs, who are all related persons to BGAM.

Under the Custodial Wrap Fee Programs, BGAM clients have access to wrap fee accounts managed by TPAMs. In certain instances, BGAM may act solely as a referring advisor and the sponsor will act as the client's investment advisor. In other instances, BGAM may act as the client investment advisor by assisting the client in selecting investment managers and setting asset allocations. BGAM may also offer such

services or access to investment managers through other sponsors in the future. BGAM receives a portion of the total wrap fee for referring the client to the program or assisting in the selection of managers and setting asset allocations. Please refer to the TPAM wrap fee brochure for details concerning the TPAM wrap fee programs. The investment advisor representative is the sole portfolio manager of the BGAM Wrap Fee Program account and is therefore subject to replacement only by client's termination of participation in the Program.

B. Related Parties

BGAM personnel or affiliates serve as portfolio manager[s] for services under the BGAM Wrap Fee Program. BGAM does not act as portfolio manager for any third-party wrap fee programs.

C. Supervised Persons

BGAM Supervised Persons serve as portfolio managers for the BGAM Wrap Fee Program described in this Wrap Fee Program Brochure. Please refer to the Items 4 and 8 of the Disclosure Brochure for details on the services provided by BGAM. For information related to the background of BGAM supervised persons, please see Items 9 and 11 of the Disclosure Brochure.

D. Performance-Based Fees

BGAM charges performance-based fees for its investment advisory services in appropriate circumstances. For further information concerning performance fee assessment, please refer to Item 6 of the disclosure brochure to which this appendix is attached. BGAM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its clients. Please see Item 6 of the Disclosure Brochure

E. Methods of Analysis

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Brochure) for details on the research and analysis methods employed by the BGAM.

F. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. clients should be prepared to bear the potential risk of loss. BGAM will assist clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client will meet their investment goals. Please see Item 8. of the Disclosure Brochure.

G. Proxy Voting

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

## **ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER**

Portfolio Managers Under the BGAM Wrap Fee Program are associated with BGAM as investment advisor representatives. Portfolio Managers and clients have direct contact and interaction and the client controls what information and how often or under what circumstances information is provided to the Portfolio Manager.

Portfolio Managers under the Custodial Wrap Fee Programs are provided client information as set forth in the wrap fee program brochure maintained by the custodian/sponsor of the program. Please refer to the custodian/sponsor's wrap fee brochure for details concerning the sharing of client information with portfolio managers.

## **ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS**

There are no restrictions placed on client's ability to contact or consult with their portfolio manager under the BGAM Wrap Fee Program. Please refer to the custodian/sponsor's wrap fee brochure for details concerning client contact with portfolio managers.

## **ITEM 9 – ADDITIONAL INFORMATION**

### **Disciplinary Information**

Please see Item 9 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

### **Other Financial Industry Activities**

Please see Items 10 and 14 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

### **Code of Ethics and Participation in Client Transactions**

Please see Item 11 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

### **Review of Accounts**

Please see Item 13 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

### **Client Referral**

Please see Item 14 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

### **Financial Information**

Please see Item 18 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).