

# **BROCHURE**



## **BRIGHTSIDE ADVISORY PARTNERS, LLC**

6300 Blair Hill Lane, Suite 302  
Baltimore, MD 21209  
(410) 989-7500

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

March 31, 2024

This brochure provides information about the qualifications and business practices of Brightside Advisory Partners, LLC (hereinafter "Brightside Partners" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply a certain level of skill or training.

## Item 2. Material Changes

In this Item, Brightside Partners is required to discuss any material changes that have been made to the brochure since the last amendment which was dated March 31, 2023. In this update, the Firm has revised Item 4 to reflect the value of the assets as to which it provides investment advisory services (“Assets Under Advisement”) and to update the value of the regulatory Assets Under Management. These edits do not represent material changes, however, we encourage all clients and prospects to read this Brochure in its entirety.

## TABLE OF CONTENTS

Item 2. Material Changes .....	2
Item 3 Table of Contents .....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	7
Item 6. Performance-Based Fees and Side-by-Side Management .....	10
Item 7. Types of Clients .....	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9. Disciplinary Information .....	13
Item 10. Other Financial Industry Activities and Affiliations .....	13
Item 11. Code of Ethics .....	14
Item 12. Brokerage Practices .....	14
Item 13. Review of Accounts .....	18
Item 14. Client Referrals and Other Compensation .....	18
Item 15. Custody.....	18
Item 16. Investment Discretion.....	19
Item 17. Voting Client Securities .....	19
Item 18. Financial Information.....	19

#### Item 4. Advisory Business

Brightside Partners is an SEC-registered investment advisor. The Firm has been in business since 2019, and is owned by Pace R. Kessenich, Abigail C. Holmes, Ryan D. Pollard, Gregory D. Danseglio, Nicholas R. Daly, Jeffrey R. Cooke, Justin C. Bakewell and Lauren P. Watson.

As of December 31, 2023, Brightside Partners advised on approximately \$2,516,744,157 in Assets Under Advisement (“AUA”), which includes \$853,105,653 in regulatory Assets Under Management (“AUM”) of which \$368,467,696 is managed on a discretionary basis and \$484,637,957 is managed on a non-discretionary basis. AUM is defined as the value of the assets in accounts as to which the Firm provides continuous and regular supervisory or management services. AUA is defined as AUM plus all assets held away that the Firm advises on, including but not limited to retirement plan assets, real estate, business holdings, and other private investments. Brightside Partners advises on these assets at each portfolio review and the assets are listed in the Firm’s reporting tools and reports.

The Firm offers Clients two primary service offerings, Wealth Advisory and Private Investment Advisory, which are described in more detail below.

##### A) Wealth Advisory

Brightside Partners provides Wealth Advisory Clients with a broad range of family office, financial planning, investment advisory, and portfolio management services that support the complex, unique needs of each family.

*Family Office & Financial Planning Services* – These services include, but are not limited to, the following:

- Business Planning
- Financial Reporting
- Cash Flow Forecasting and Support
- Education Planning
- Trust and Estate Planning and Support
- Insurance Planning and Support
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning and Support
- Home and Major Asset Purchase Support
- Financing Solutions Coordination and Support
- Bill Pay and Household Payroll Coordination
- Valuable Articles Inventory Support
- Multigenerational Family Coordination and Education

*Investment Advisory & Portfolio Management Services* – Brightside Partners provides a variety of investment advisory and portfolio management services in conjunction with the services listed above as part of each Client’s comprehensive Wealth Advisory engagement. These services are listed and described in more detail below.

- Investment Consulting
- Investment Sourcing
- Investment Due Diligence
- Asset Allocation Consulting
- Portfolio Design & Construction
- Investment Monitoring
- Portfolio Cash Flow Forecasting
- Portfolio Management & Administration

Brightside Partners manages investments and investment portfolios on a discretionary and/or non-discretionary basis. The Firm primarily allocates Wealth Advisory Client assets among mutual funds, exchange-traded funds (“ETFs”), active public investment managers (“Public Investment Managers”) (collectively, “Public Investments”), and a wide variety of pooled, privately placed securities (see below for the Firm’s definition of “Private Investments”), in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in Client portfolios, but Clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon.

Clients can engage Brightside Partners to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts as well as assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Brightside Partners directs or recommends the allocation of Client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

B) Private Investment Advisory

Brightside Partners provides Private Investment Advisory Clients with investment consulting and portfolio management services related to the assets that Clients have invested in and/or intend to allocate to Private Investments. The Firm’s definition of Private Investments includes, but is not limited to, any pooled, privately placed security such as a private equity fund, a private debt fund, a private real estate fund, or a fund-of-funds managed by a private investment manager (“Private Investment Manager”) or other private placement including equity, credit or real estate investments (“Private Direct Investment”) (collectively, “Private Investments”). The Firm currently advises on and/or manages a wide variety of Private Investments for its Clients.

Similar to some of the services listed above under “Investment Advisory & Portfolio Management Services” for Wealth Advisory Clients, the Firm provides Private Investment Advisory Clients with the following:

- Investment Consulting
- Investment Sourcing
- Investment Due Diligence
- Portfolio Design & Construction

Investment Monitoring  
Portfolio Cash Flow Forecasting  
Portfolio Management & Administration

Brightside Partners designs, constructs, and manages portfolios of Private Investments for its Private Investment Advisory Clients in accordance with their stated investment objectives. These services are typically offered only to accredited and/or qualified investors.

Brightside Partners employs inbound sourcing as well as outbound objective-driven and thesis-driven origination in order to identify a wide variety of compelling Private Investment opportunities. From these opportunity sets, the Firm determines those Private Investments that warrant further consideration. In furtherance of that consideration, the Firm evaluates a variety of information about the investment, which includes the investment's disclosure documents, materials provided by the Private Investment issuer, and other third-party analyses it believes are reputable. The Firm also conducts calls with the investment manager and third-party references to ensure a thorough understanding of the documents and materials received as well as the broader investment opportunity. To the extent possible, the Firm seeks to assess the investment manager's strategy, past performance, and risks in relation to its Clients' individual portfolio allocations and risk exposure. Brightside Partners also takes into consideration each investment manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

Upon approving a new Private Investment opportunity after an in-depth review, the Firm evaluates the investment in the context of each of its Private Investment Advisory Client's stated objectives, current investment holdings, and overall Private Investment portfolio. At the Client level, the Firm develops asset allocation strategies that cover the range of Private Investment exposure. The Firm maintains an understanding of where the Private Investment is within its lifecycle (such as the capital call cycle or the harvesting cycle) and how to layer in additional Private Investment commitments to maintain the desired allocation through portfolio cash flow forecasting. When available and necessary, the Firm may assist Clients in negotiating terms of investment in the Private Investments (including fees, commitment level, etc.) with the Private Investment Manager.

Brightside Partners provides continuous and regular supervisory services related to the discretionary or non-discretionary selection of the Private Investment Managers. On an ongoing basis, the Firm monitors the performance of those Private Investment Managers. Brightside Partners seeks to ensure that their strategies and target allocations remain aligned with its Clients' investment objectives and overall best interests. To the extent possible, the Firm also seeks to provide its Private Investment Advisory Clients with updated portfolio cash flow forecasts on a periodic basis in order to help its Clients proactively plan required cash flow to partially mitigate the liquidity issues that are sometimes associated with Private Investments.

Brightside Partners tailors its advisory services to meet the needs of its individual Clients and seeks to ensure, on a continuous basis, that Client portfolios are managed in a manner consistent with those needs and objectives. Brightside Partners consults with Clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors

relevant to the management of their portfolios. Clients must notify Brightside Partners if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Brightside Partners determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

In the course of performing advisory services, Brightside Partners sometimes recommends that certain Clients engage the Firm for additional related services and/or other professionals to implement its recommendations. To the extent that the Firm recommends that Clients engage the Firm or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services, this is a conflict of interest, as the Firm has a financial incentive to encourage Clients to retain the Firm. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Brightside Partners under any non-discretionary engagement, or financial planning or consulting engagement. Brightside Partners is not required to verify any information received from the Client or from the Client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on this information. It is the Client's responsibility to promptly notify the Firm of any change in the Client's financial situation or investment objectives in order for the Firm to adjust their services accordingly.

## Item 5. Fees and Compensation

Brightside Partners offers services on a fee basis, which includes fixed and/or hourly fees, as well as fees based upon Assets Under Management and/or Assets Under Advisement. See Item 4, above, for definitions of Assets Under Management and Assets Under Advisement.

### *Wealth Advisory Fees*

Brightside Partners offers wealth advisory services for an annual fee based on the amount of assets under the Firm's management and advisement. This fee varies in accordance with the following fee schedule:

Portfolio Value	Base Fee
First \$10,000,000	0.87%
Next \$10,000,000	0.70%
Above \$20,000,000	0.50%

These are marginal rates. For example, an account valued at \$15,000,000 would pay, under the fee schedule above, 0.87% on the first \$10,000,000, plus 0.70% on the remaining \$5,000,000. One-fourth of the annual fee is charged each quarter, in advance, based upon the market value of the assets being managed by Brightside Partners on the first day of the previous quarter (due to the timing of private investment managers' distribution of capital account statements). The portfolio value includes Private Investments for which the Firm provides advice on an ongoing basis, even if the assets are not held with the Client's primary custodian. Valuations are determined by third parties, including the Client's custodian, the mutual funds, and the managers, issuers, or administrators for the private investments.

In lieu of the asset-based fee, the Firm also offers its wealth management services to certain Clients for a fixed fee. The fixed fee is negotiable, but generally ranges from \$75,000 to \$200,000 per year, depending upon the scope and complexity of the services and the professionals rendering the wealth management services.

For the initial period of an engagement, the fee is calculated on a *pro rata* basis. If the advisory agreement is terminated, the fee for the final billing period is calculated on a *pro rata* basis through (and including) the effective date of the termination; the outstanding or unearned portion of the fee is charged or refunded to the Client, as appropriate.

Finally, for certain services, including bill paying or other administrative support, Brightside Partners charges an hourly fee that ranges from \$100 to \$250, depending on the person providing the service.

#### *Private Investment Advisory Fees*

For Clients who engage Brightside Partners for Private Investment Advisory services, the Firm charges an initial, one-time fee of 0.75% of the commitment amount if the commitment is between \$1,000,000 and \$10,000,000, or 0.60% if it is greater than \$10,000,000, to invest in Private Investments through the Firm. If the commitment amount is for less than \$1,000,000 this initial, one-time fee is the greater of 0.80% or \$2,000.00. This portion of the investment management fee is charged to partially compensate the Firm for the initial work of investment sourcing and due diligence provided by the Firm related to a Client's initial investment in a Private Investment, as well as the analysis of the asset allocation for that Client. This initial fee is charged in a single payment upon the signing of an engagement agreement.

Thereafter, Brightside Partners charges an annual investment management fee of 0.60%. This annual fee is charged quarterly, in advance, based upon the net asset value ("NAV") of the Private Investments recommended by the Firm as of the first day of the previous quarter (due to the delay in capital account statements from private investment managers). This portion of the investment management fee is charged for the investment monitoring, investment reporting, and cash flow administration provided by the Firm. If the invested amount increases or decreases after the inception of a billing period, the annual fee payable with respect to such assets is not adjusted to reflect the interim change in invested amount. The annual fee with respect to new Private Investment is initially charged during the first full quarter of service following a Client agreeing to an initial investment for that Private Investment.

Although the fee payment for these services is spread out over time, a large volume of the work is done during the initial due diligence and analysis of the asset allocation under this type of engagement. The initial fee does not fully cover the cost of this work. Accordingly, if the advisory agreement is terminated within five years from the Client's initial investment in each Private Investment, the Firm charges a service fee based on the current invested amount of the Private Investments in the portfolio managed by the Firm as of the date of termination. This service fee shall be equal to 50% of the annual fee which would have been payable to the Firm for five years from the Client's initial investment in each Private Investment, as calculated on the date of termination. This is not a penalty for termination; the service fee is to compensate the Firm for the larger volume of work performed at the beginning of the Private Investment process.



### *Fee Discretion*

Brightside Partners may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities. For asset management services the Firm provides with respect to certain Client holdings (e.g., held-away assets, accommodation accounts, private investments, etc.), Brightside Partners may negotiate a fee rate that differs from the range set forth above. Also, certain legacy clients are subject to a different (lower) fee schedule. This means that some Clients will pay greater or lesser fees than other Clients for similar services.

### *Additional Fees and Expenses*

In addition to the advisory fees paid to Brightside Partners, Clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees and expenses charged to owners of Private Investments, fees attributable to Private Investments, fees charged by the Public Investment Managers, margin costs, charges imposed directly by a mutual fund or ETF in a Client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below. Brightside Partners does not share in any of these third-party fees.

### *Direct Fee Debit*

Clients provide Brightside Partners and/or certain Private and Public Investment Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for Client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to Brightside Partners.

### *Use of Margin*

Brightside Partners sometimes recommends that certain Clients use margin or other borrowing in the Client’s investment portfolio. Brightside Partners only recommends borrowing for non-investment needs, such as bridge loans and other financing needs. The Firm’s fees are determined based upon the value of the assets being managed, including assets that are financed in whole or in part through margin or borrowing. Clients will pay interest on borrowed funds, which is in addition to the Firm’s fees.

### *Account Additions and Withdrawals*

Clients can make additions to and withdrawals from their account at any time, subject to Brightside Partners’ right to terminate an account. Additions can be in cash or securities, but the Firm reserves the right to liquidate any transferred securities or to decline to accept particular securities into a Client’s account. Clients can withdraw account assets on notice to Brightside Partners, subject to the usual and customary securities settlement procedures, but Clients should be aware that the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client’s investment objectives. Brightside Partners may consult with its Clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption

fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications. When the Firm recommends that Clients engage Brightside Partners for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management, it is a conflict of interest, as the Firm is compensated on the value of assets under its management and therefore has a financial incentive to recommend that Clients increase the assets to be managed by the Firm. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of its recommendations.

#### Item 6. Performance-Based Fees and Side-by-Side Management

Brightside Partners does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets).

#### Item 7. Types of Clients

Brightside Partners offers services to individuals, trusts, estates, charitable organizations, corporations and business entities.

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

##### *Methods of Analysis and Investment Strategies*

Brightside Partners uses a combination of Public investments and Private investments to achieve the return objectives of its Clients. Investments will be allocated across spectrums of risk and liquidity to construct a portfolio that meets the risk-adjusted returns and needs of each Client.

The first layer of analysis for any investment is to understand the potential downside risk for that investment. Brightside Partners will classify the investment universe into three risk categories: a) low risk, which includes mainly fixed income assets or assets with similar characteristics to fixed income; b) medium risk, which includes assets that have either some combination of current income and capital appreciation or an asset where the probability of losing principal value is fairly low, but also has limited upside potential and; c) high risk, which includes equities or assets that have the potential for significant growth and therefore the potential for principal loss as well. Brightside Partners aggregates investments into their appropriate categories to create an overall portfolio that meets the risk and liquidity profile of the Client.

Brightside Partners works with each Client to determine the appropriate overall portfolio risk profile desired by the Client and constructs a portfolio that combines all three risk categories to meet their needs of preserving capital, while protecting against inflation and growing the asset base, given the risk tolerance of the Client.

After determining the appropriate investment risk for each Client, Brightside Partners works with each Client to understand the illiquidity risk that the Client is willing and able to take in order to achieve their goals. Based upon their liquidity needs, Brightside Partners will construct a portfolio with the appropriate balance of Public and Private Investments to pursue their stated goals. The Firm's principals have a long history of Private Investments and believe that there is an advantage

from these types of investments to help Clients achieve their return objectives. The majority of the Private Investments will be made through private funds, where Brightside Partners will identify fund managers that have an expertise or competitive advantage in a certain area and a track record of achieving out-sized risk adjusted returns. Occasionally, Brightside Partners may also be presented with the opportunity for our Clients to invest directly into a Private Investment alongside the fund manager.

Brightside Partners mainly uses passive strategies for exposure to public equities in Client portfolios. This mostly includes ETFs, index funds, US Treasuries, and target date mutual funds. Brightside Partners may also use Public Investment Managers for the fixed income portion of the portfolio. Brightside Partners attempts to achieve market returns with minimal fees on the public side of its portfolios to balance the Private Investments within each Client's portfolio to meet each of the Client's individual risk profiles.

Given the Firm's principals' history of making Private Investments, Brightside Partners will use Private Investments to attempt to outperform the market on a risk-adjusted basis. Brightside Partners allocates to Private Investment Managers in both the medium risk category and the high risk category. In the medium risk category Brightside Partners is looking for managers that can protect capital while providing for cash flow for the Client. Examples of managers in this area could be certain types of real estate, direct lending, or other opportunistic funds that have a combination of lower risk with a cash flow component to the asset class. In the high risk category Brightside Partners is looking for managers that can significantly grow the asset base. Examples of managers in this area include private equity, venture capital, and higher risk real estate funds.

The additional investment services that Brightside Partners provides to its Clients include consolidated portfolio reporting and administration of Private Investments. Clients are provided with consolidated reporting that includes Private Investment values along with the public market holdings. Brightside Partners also facilitates the execution of subscription documents and coordinates capital call payments on behalf of its Clients for each of the Private Investments that they are committed to. The centralized and coordinated administration of these Private Investments provides Clients with the complete management of their portfolios.

#### *Risk of Loss*

Investing in securities involves risk of loss that Clients should be prepared to bear. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

The material risks involved with each of the significant investment strategies that the Firm uses include (but are not limited to):

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Brightside Partners' recommendations and/or investment decisions will depend to a great extent upon correctly predicting the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Brightside Partners will be able to predict these price movements accurately or capitalize on any such assumptions.

### Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share NAV, plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### Use of Independent Managers

When Brightside Partners selects certain Independent Managers to manage a portion of its Clients' assets, Brightside Partners continues to conduct ongoing due diligence of the managers, but the results will depend to a great extent on the Independent Managers' ability to implement their investment strategies successfully. Brightside Partners does not have the ability to supervise the Independent Managers on a day-to-day basis.

### Use of Private Collective Investment Vehicles

Brightside Partners recommends that certain Clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. Many of these

securities are illiquid and/or impose restrictions on redemption or transfer. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining the risks prior to investing.

#### Real Estate Investment Trusts ("REITs")

Brightside Partners sometimes recommends that Clients invest in, or allocate assets among, various REITs, the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

#### Use of Leverage

Although the Firm does not recommend the use of leverage to Clients, Clients should be aware that certain of the private investments that the Firm recommends will use leverage. While the use of leverage for investments can substantially improve returns, it also increases overall portfolio risk. Leveraged transactions are generally effected using capital borrowed from a financial institution, which is secured by holdings. Under certain circumstances, a lending financial institution may demand an increase in the underlying collateral. If the investor is unable to provide the additional collateral, the financial institution may liquidate account assets to satisfy the outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a portfolio.

#### Currency Risks

An advisory account that holds investments denominated in currencies other than the currency of the Client's home country or region may be adversely affected by the volatility of currency exchange rates.

#### Interest Rate Risks

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by Clients.

### Item 9. Disciplinary Information

Brightside Partners has not been involved in any legal or disciplinary events that are material to a Client's evaluation of its advisory business or the integrity of its management.

### Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have any other financial industry activities or affiliations that need to be disclosed.

#### Item 11. Code of Ethics

Brightside Partners has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Brightside Partners’ Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of Clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Brightside Partners’ personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). The Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to Clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This includes purchases and sales in the Supervised Persons name as well as through collective vehicles. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a Client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
  - the transaction for the Supervised Person is completed as part of a batch trade with Clients;
- or
- a decision has been made not to engage in the transaction for the Client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective Clients may contact Brightside Partners to request a copy of its Code of Ethics.

#### Item 12. Brokerage Practices

##### *Recommendation of Broker-Dealers for Client Transactions*

Brightside Partners recommends that Clients utilize the custody, brokerage and clearing services of National Financial Services LLC and Fidelity Brokerage Services LLC (together with affiliates, “Fidelity”) for investment management accounts. The final decision to custody assets with Fidelity is

at the discretion of the Client, including those accounts under ERISA or IRA rules and regulations, in which case the Client is acting as either the plan sponsor or IRA accountholder. Brightside Partners is independently owned and operated and not affiliated with Fidelity. Fidelity provides Brightside Partners with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Brightside Partners considers in recommending Fidelity or any other broker-dealer to Clients include its financial strength, reputation, execution, pricing, research and service. Fidelity enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Fidelity has also agreed to reimburse Clients for exit fees associated with moving accounts to Fidelity. The reimbursement is only available up to a certain amount for all of the Firm's Clients over a twelve month period. Fees are reimbursed on a first-come-first-served basis so that no Clients are favored. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Brightside Partners' Clients to Fidelity comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified financial institution might charge to effect the same transaction where Brightside Partners determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Brightside Partners seeks competitive rates but may not necessarily obtain the lowest possible commission rates for Client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Brightside Partners in its investment decision-making process. This research will be used to service all of the Firm's Clients, but brokerage commissions paid by one Client may be used to pay for research that is not used in managing that Client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of investment research products and/or services poses a conflict of interest because Brightside Partners does not have to produce or pay for the products or services.

Brightside Partners periodically and systematically reviews its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### *Software and Support Provided By Financial Institutions*

Fidelity provides the Firm with administrative support, computer software, related systems support, as well as other third-party support as further described below (together "Support"). This allows Brightside Partners to monitor Client accounts maintained at Fidelity and otherwise conduct its business. Brightside Partners receives the Support without cost because the Firm renders investment management services to Clients that maintain assets at Fidelity. The Support is not provided in connection with securities transactions of Clients (*i.e.*, not "soft dollars"). The Support benefits Brightside Partners, but not its Clients directly. Clients should be aware that Brightside Partners' receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not

furnish similar software, systems support or services. In fulfilling its duties to its Clients, Brightside Partners endeavors at all times to put the interests of its Clients first and has determined that the recommendation of Fidelity is in the best interest of Clients and satisfies the Firm's duty to seek best execution.

Specifically, Brightside Partners receives the following benefits from Fidelity: i) receipt of duplicate Client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and iv) access to an electronic communication network for Client order entry and account information. Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Brightside Partners (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion. Without this arrangement, the Firm might be compelled to purchase the same or similar services at its own expense.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's Clients' assets are maintained in accounts at Fidelity. Fidelity's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Client accounts maintained in its custody, Fidelity does not charge separately for custody services but is compensated by account holders through a.) commissions or other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity's accounts and b.) when available cash is swept into a Fidelity money market fund of which money market rates may vary among custodians.

Fidelity also makes available to the Firm other products and services that benefit the Firm but may not benefit its Clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Fidelity. Other potential benefits may include occasional business entertainment of personnel of Brightside Partners by Fidelity personnel. Other of these products and services assist Brightside Partners in managing and administering Clients' accounts. These include software and other technology (and related technological training) that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its Clients' accounts, and assist with back-office training and support functions, recordkeeping and Client reporting. Many of these services are used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Fidelity. Fidelity also makes available to Brightside Partners other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Fidelity may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Fidelity may discount or waive fees it



would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Brightside Partners endeavors to act in its Clients' best interests, the Firm's recommendation that Clients maintain their assets in accounts at Fidelity may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which creates a conflict of interest.

#### *Brokerage For Client Referrals*

Brightside Partners does not consider, in selecting or recommending broker-dealers, whether the Firm receives Client referrals from the financial institutions or other third party.

#### *Directed Brokerage*

The Client may direct Brightside Partners in writing to use a particular financial institution to execute some or all transactions for the Client. In that case, the Client will negotiate terms and arrangements for the account with that financial institution and the Firm will not seek better execution services or prices from other financial institutions or be able to "batch" Client transactions for execution through other financial institutions with orders for other accounts managed by Brightside Partners (as described above). As a result, the Client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Brightside Partners may decline a Client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

#### *Trade Aggregation*

Transactions for each Client will be affected independently, unless Brightside Partners decides to purchase or sell the same securities for several Clients at approximately the same time. Brightside Partners may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's Clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Brightside Partners' Clients pro rata to the purchase and sale orders placed for each Client on any given day. To the extent that the Firm determines to aggregate Client orders for the purchase or sale of securities, including securities in which Brightside Partners' Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Brightside Partners does not receive any additional compensation or remuneration as a result of the aggregation.

If the Firm determines that a *pro rata* allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation

of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

#### Item 13. Review of Accounts

##### *Account Reviews*

Brightside Partners monitors Client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. The reviews are conducted by the Firm's Principal and/or investment adviser representatives. All investment advisory Clients are encouraged to discuss their needs, goals and objectives with Brightside Partners and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory Clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the Client's financial situation and/or investment objectives.

##### *Account Statements and Reports*

Clients are provided with transaction confirmation notices and regular summary account statements directly from the financial institutions where their assets are held in custody. From time-to-time or as otherwise requested and agreed to by the Firm, Clients may also receive written or electronic reports from Brightside Partners and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Brightside Partners or an outside service provider.

#### Item 14. Client Referrals and Other Compensation

Brightside Partners does not compensate any person who is not its supervised person for client referrals. The Firm receives economic benefits from Fidelity. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

#### Item 15. Custody

Brightside Partners is deemed to have custody of Client funds and securities because the Firm is given the ability to debit Client accounts for payment of the Firm's fees. Client funds and securities are maintained at one or more financial institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to Clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period. The custodians' statements are the official record of the Client's holdings. In addition, as discussed in Item 13, Brightside Partners will also send, or otherwise make available, periodic supplemental reports to Clients. Clients should carefully review the statements sent directly by the financial institutions and compare them to those received from Brightside Partners. Clients should report any discrepancy to Brightside Partners and to the custodian.

Brightside Partners is deemed to have custody if Clients give the Firm limited power of attorney in a standing letter of authorization (“SLOA”) to disburse funds to one or more third parties as specifically designated by the Client. In these circumstances, the Firm will implement the steps in the SEC’s no-action letter on February 21, 2017 which includes (in summary): i) Client will provide instruction for the SLOA to the custodian; ii) Client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the Client promptly after each transfer; iv) the Client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the Client an initial and annual notice confirming the SLOA instructions.

Brightside Partners is deemed to have custody over Client cash, bank accounts or securities (for reasons other than those discussed above), such as where a Client gives the Firm power of attorney to pay bills. The Firm has engaged an independent accounting Firm to perform a surprise annual examination of those assets and accounts over which it maintains this type of custody. Any related opinions issued by an independent accounting Firm are filed with the SEC and are publicly available on the SEC’s Investment Adviser Public Disclosure website. Brightside Partners does not have direct access to Client funds, unless we act as Trustee or for bill paying services, as all client funds are maintained with an independent qualified custodian.

#### Item 16. Investment Discretion

Brightside Partners is given the authority to exercise discretion on behalf of Clients. Brightside Partners is considered to exercise investment discretion over a Client’s account if it can effect and/or direct transactions in Client accounts without first seeking the Client’s specific consent. Brightside Partners is given this authority through a power-of-attorney included in the agreement between Brightside Partners and the Client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Brightside Partners takes discretion over the securities to be purchased or sold, the amount of securities to be purchased or sold, when transactions are made, and the Independent Managers to be hired or fired.

#### Item 17. Voting Client Securities

Brightside Partners does not accept the authority to vote Clients’ securities on their behalf. Clients receive proxies directly from the financial institutions where their assets are held and may contact the Firm at the contact information on the cover of this brochure with questions about any issuer solicitations.

#### Item 18. Financial Information

Brightside Partners does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered. The Firm has no financial condition that is

reasonably likely to impair its ability to meet its contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time.