

# Bouvel Investment Partners, LLC

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ADV Part 2A, Appendix 1  
Wrap Fee Program Brochure  
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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Bouvel Investment Partners, LLC (“Bouvel”). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact us at (610) 933-3300 or [Stephane@bouvel.com](mailto:Stephane@bouvel.com). The information in this Wrap Fee Program Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Bouvel Investment Partners, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

**References herein to Bouvel Investment Partners, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes to this ADV Part 2A, Appendix 1 Wrap Fee Program Brochure since the February 26, 2017 Annual Amendment filing. However, this Wrap Fee Program Brochure has been amended since that time in Item 4 to incorporate disclosure regarding retirement rollovers, an acknowledgment of fiduciary status under The Employee Retirement Income Security Act of 1974 / the Internal Revenue Code, and with respect to the range of investment advisory fees charged by Bouvel.

**Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding this ADV Part 2A Appendix 1 Wrap Fee Program Brochure.**

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## Item 4 Services, Fees and Compensation

### A. INVESTMENT ADVISORY SERVICES

As discussed below, Bouvel offers to its clients (generally, individuals, high net worth individuals, trusts and estates) investment advisory services, including investment management and financial planning services to the extent specifically requested by a client. If a client determines to engage Bouvel on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, and custody fees). The services included in a wrap fee agreement will depend upon each client's particular need.

#### **BOUVEL INVESTMENT PARTNERS WRAP PROGRAM**

Bouvel is the sponsor and investment manager of the Bouvel Investment Partners Wrap Program (hereinafter the "Program"). Under the Program, Bouvel is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment advisory fees). The services offered under the Program will depend upon each client's particular need, but will include, to the extent specifically requested by the client and agreed by Bouvel, limited financial planning and/or consulting services regarding investment or non-investment related matters which could include but are not necessarily limited to: retirement planning, education planning, and/or basic tax/estate planning. . Bouvel's Wrap Fee Program fee shall be based upon a percentage (%) of the market value and type of assets placed under Bouvel's management (generally between 0.50% and 1.75%) to be charged quarterly in advance. However, the Wrap Fee Program fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, account composition, and negotiations with the client. As a result, similarly situated clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by Bouvel to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.**

Under the Program, Bouvel shall be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in the written agreement between each client and Bouvel. Clients may change/amend these limitations, in writing, at any time. The client shall have reasonable access to one of Bouvel's investment professionals to discuss their account.

National Financial Services LLC ("Fidelity"), serves as the custodian for Program accounts.

**Wrap Program Trading Costs.** Bouvel does not maintain an asset based pricing arrangement with the Wrap Fee Program custodian. In an asset based pricing arrangement, the amount charged for transactions effected for a client's account is a fixed percentage based upon the market value of such client's account. Nor does Bouvel maintain an internal budget as to anticipated transaction costs. Rather, Bouvel's trading activity is dictated by its clients' needs and anticipated market conditions, as opposed to transaction fee costs absorbed by Bouvel.

**Fee Calculation:** The fee charged is calculated as described above, which is not based upon capital gains upon or capital appreciation of advisory clients' assets, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940.

**Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect. No portion of the fee will be credited to the client for the current calendar quarter should any withdrawals from the portfolio occur in the same calendar quarter. Clients authorize Bouvel to directly debit its advisory fee by executing one of its Investment Management Agreements. Bouvel shall send to the client's Custodian written notice of the amount of the Bouvel's advisory fee to be deducted, on a quarterly basis, from the client's account.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

**Client Responsibilities:** In performing any of its services, Bouvel shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Furthermore, unless the client indicates to the contrary, Bouvel shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective. Moreover, it remains each client's responsibility to promptly notify Bouvel if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bouvel's previous recommendations and/or services.

**Investment Performance:** As a condition to participating in the Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by Bouvel) may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

- B. Participation in the Program may cost more or less than purchasing such services separately. Also the Program fee charged by Bouvel for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by Bouvel, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if Bouvel were to negotiate transaction fees and seek best price and execution of transactions for the client's account.

**Wrap Program Conflict of Interest.** Participation in a wrap program may cost the client more or less than purchasing such services separately. When managing a client's account on a wrap fee basis, Bouvel shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Because wrap program transaction fees and/or commissions are being paid by Bouvel to the account broker-dealer/custodian, Bouvel could have an economic incentive to minimize the number of trades in the client's account to maximize its own compensation, which presents an inherent conflict of interest. To help mitigate this conflict of interest, Bouvel's trading activity on behalf of its clients dictated by its clients' needs and anticipated market conditions, as opposed to transaction fee costs absorbed by Bouvel. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest a wrap fee arrangement presents.**

- C. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Fidelity, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee. In addition, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- D. Bouvel's related persons who recommend the Program to clients do not receive compensation as a result of a client's participation in the wrap fee program.

## **Item 5            Account Requirements and Types of Clients**

Bouvel's clients currently include individuals, high net worth individuals, trusts and estates. Bouvel generally imposes an account minimum of \$50,000 for investment advisory services. However, Bouvel, in its sole discretion, may reduce or waive its account minimum requirements and/or charge a lesser investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## **Item 6 Portfolio Manager Selection and Evaluation**

- A. Under the Program, Bouvel does not utilize independent portfolio managers that are not associated with Bouvel. Bouvel will provide the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Therefore, conflicts of interest present in other wrap-fee programs that make both affiliated and unaffiliated portfolio managers available do not exist in this Program.
- B. Bouvel acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by Bouvel, a potential conflict of interest arises in that Bouvel may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by Bouvel as a result of the client's participation in the Program may be more than what Bouvel would receive if the client paid separately for investment advice, brokerage and other services.
- C. As discussed below, Bouvel also offers to its clients discretionary and non-discretionary investment advisory services on a non-wrap fee basis, and, to the extent specifically requested by a client, financial planning and related consulting services.

### **OTHER ADVISORY SERVICES**

The client can determine to engage Bouvel to provide discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap fee basis. If a client determines to engage Bouvel on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody).

#### **Non-Wrap Fee Basis**

If the client determines to engage Bouvel on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). Bouvel provides investment advisory services specific to the needs of each client, but does not offer to provide financial planning and/or consulting services under this engagement. Rather, clients who have engaged Bouvel on a non-wrap fee basis may engage Bouvel to provide stand-alone financial planning and consulting services under the terms and conditions of a separate Financial Planning and Consulting Agreement. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Bouvel will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Bouvel provides ongoing monitoring and review of account performance, asset allocation and client investment objectives and may execute transactions based on such monitoring and review.

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

Bouvel also offers to provide non-discretionary retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds and exchange traded funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, Bouvel shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement

plan accounts. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Services Agreement between Bouvel and the plan sponsor.

#### **Financial Planning and Consulting Services (Stand-Alone)**

To the extent specifically requested by a client, Bouvel may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Bouvel to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Bouvel setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Bouvel commencing services. If requested by the client, Bouvel may recommend the services of other professionals for implementation purposes, including Stephane Bouvel in his individual capacity as a registered representative of a broker-dealer and/or a licensed insurance agent. (See disclosures 9 below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Bouvel. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Bouvel if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bouvel's previous recommendations and/or services.

#### **Miscellaneous Advisory Services Disclosures**

**Limitations of Consulting/Implementation Services.** To the extent specifically requested by the client, Bouvel may provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Bouvel shall not receive any separate or additional fee for any such consultation services. Neither Bouvel, nor any of its representatives, serves as an attorney or accountant and no portion of Bouvel's services should be construed as legal or accounting services. Accordingly, Bouvel does not prepare estate planning documents or tax returns on behalf of clients. To the extent requested by a client, Bouvel may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including Stephane Bouvel in his separate and individual capacity as a registered representative of Purshe Kaplan Sterling Investments, an SEC-registered and FINRA member broker-dealer, and as a licensed insurance agent as described below in Item 9, and in ADV Part 2A, Items 5.E. and 10.C. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Bouvel. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by Bouvel's representative that a client purchase a securities or insurance commission product through Stephane Bouvel in his separate and individual capacity as a registered representative of Purshe Kaplan Sterling Investments and/or as a licensed insurance agent presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need.

No client is under any obligation to purchase any securities or insurance commission products through Mr. Bouvel. Clients are reminded that they may purchase securities and insurance products recommended by Bouvel through other, non-affiliated broker-dealers and/or insurance agencies. **Bouvel's Chief Compliance Officer, Stephane Bouvel remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Non-Discretionary Service Limitations.** Clients that determine to engage Bouvel on a non-discretionary investment advisory basis **must be willing to accept** that Bouvel cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Bouvel would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Bouvel will be unable to effect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client's consent.**

**Cash Positions.** Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Bouvel may maintain cash positions for defensive or liquidity purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Bouvel's advisory fee. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.**

**Trade Error Policy.** Bouvel shall reimburse accounts for losses resulting from Bouvel's trade errors, but shall not credit accounts for such errors resulting in market gains.

**Margin Accounts.** Bouvel **does not** recommend the use of margin. However, should a client determine to take a margin loan that collateralizes a portion of the assets that Bouvel is managing, Bouvel's investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan.

**Client Responsibilities:** In performing any of its services, Bouvel shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Furthermore, unless the client indicates to the contrary, Bouvel shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective. Moreover, it remains each client's responsibility to promptly notify Bouvel if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bouvel's previous recommendations and/or services.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Bouvel) will be profitable or equal any specific performance level(s).

Bouvel shall receive a Wrap Fee Program fee and/or an annual investment advisory fee based upon a percentage (%) of the market value of the assets placed under management (generally between 0.50% and 1.75%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the



anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, account composition, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by Bouvel to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.**

**Retirement Plan Rollovers – No Obligation / Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Bouvel recommends that a client roll over their retirement plan assets into an account to be managed by Bouvel, such a recommendation creates a conflict of interest if Bouvel will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that Bouvel recommends that clients roll over assets from their retirement plan to an IRA managed by Bouvel, then Bouvel represents that it and its investment adviser representatives are fiduciaries under the Employee Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by Bouvel. Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such a rollover recommendation.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then Bouvel represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Bouvel or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Use of Mutual Funds.** While Bouvel may recommend allocating investment assets to mutual funds that are not available directly to the public, Bouvel may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging Bouvel as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Bouvel as an investment adviser, the client or prospective client would not receive the benefit of Bouvel's initial and ongoing investment advisory services.

**Disclosure Statement.** A copy of Bouvel’s written disclosure statement as set forth on Form ADV Part 2A, Part 2A Appendix 1, and Part 2B, as applicable, shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

**eMoney Advisor Platform.** Bouvel may provide its clients with access to an online platform hosted by “eMoney Advisor” (“eMoney”). The eMoney platform allows a client to view their complete asset allocation, including those assets that Bouvel does not manage (the “Excluded Assets”). Bouvel does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Bouvel shall not be responsible for the investment performance of the Excluded Assets. **Rather, the client and/or the client’s advisor(s) that maintain management authority for the Excluded Assets, and not Bouvel, shall be exclusively responsible for such investment performance.** The client may choose to engage Bouvel to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Bouvel and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Bouvel. Finally, Bouvel shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Bouvel’s assistance or oversight.

**Wrap Fee Engagement.** There is no significant difference between how Bouvel manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage Bouvel on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.A). The services included in a wrap fee agreement will depend upon each client’s particular need. If the client determines to engage Bouvel on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). **Please Note:** When managing a client’s account on a wrap fee basis, Bouvel shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

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

Neither Bouvel nor any supervised person of Bouvel accepts performance-based fees.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Bouvel may utilize the following methods of security analysis:

- **Fundamental** - (analysis performed on historical and present data, with the goal of making financial forecasts)
- **Technical** – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Bouvel may utilize the following investment strategies when implementing investment advice given to clients:

- **Long Term Purchases** (securities held at least a year)
- **Short Term Purchases** (securities sold within a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Bouvel) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

Bouvel's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Bouvel must have access to current/new market information. Bouvel has no control over the dissemination rate of market information; therefore, unbeknownst to Bouvel, certain analyses may be compiled with outdated market information, severely limiting the value of Bouvel's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Bouvel's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In limited cases when consistent with a client's investment objectives, Bouvel may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof prior to maturity may be limited. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions regarding the purchase of structured notes.**

- B. Currently, Bouvel primarily allocates client investment assets among various individual equity, grantor trusts (which are not registered under the Investment Company Act of 1940), mutual funds (including no-load funds and load waived funds) and/or exchange traded funds, on a discretionary and/or non-discretionary basis in accordance with the

client's designated investment objective(s). In limited circumstances, Bouvel may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Bouvel, in writing, not to employ any or all such strategies for their accounts.

### **Managed Account Strategies**

Bouvel may also allocate clients' investment assets among or more of the following managed account asset allocation strategies, which will all be monitored and periodically adjusted to suit market conditions based on internal research. Investments in any of the following managed account asset allocation strategies are not guaranteed and are subject to risk, which could result in a complete loss of principal:

Focused Opportunities – Objective: Pursues growth opportunities in a focused portfolio of approximately 20--30 individual equities. Investments will be selected based primarily on their potential for future growth, and may be of any market capitalization size. Such potential may come in the form of new product innovations, changes in management strategy, or participation in growing secular economic trends, as well as other catalysts for future growth. This catalyst process is informed by fundamental analysis, and technical analysis where appropriate. This portfolio may be most suitable to investors who are looking for their investments to be managed for Growth / Capital Appreciation, and would like to own a focused selection of individual equities.

Focused Foundations – Objective: Pursues growth, through the selection of approximately 20-30 individual Large-Cap equity holdings. These Large-Cap equities will be selected based primarily on their potential for future growth, as well as the stability and strength of their current business operations. This process will be informed by fundamental analysis, as well as technical analysis where appropriate. The companies selected will typically be household names, with established brands across a multi-national marketplace. This portfolio may be most suitable to investors who are looking for long-term growth, investing in a selection of larger, more established individual equities.

Dynamic Perspectives – Objective: Seeks to provide participation in the capital markets by taking a balanced approach, aiming to provide long term growth and less short-term volatility. Investments are made across equity, bond, foreign and other markets. All investments are made through diversified instruments, such as exchange-traded funds or mutual funds. Investments selected will be chosen based on the macro-economic climate, the global investment climate and the ability of the investments to represent their asset-class. This portfolio may be most suitable to investors who are looking for investment balance, diversification and management oversight.

Global Capital Growth – Objective: Pursues growth opportunities wherever they may be, by utilizing a "go anywhere" approach, selecting investments of any size, and from any country. Management will hold positions in either mutual funds or exchange traded funds, selected on the basis of positive growth momentum, among other factors. Such momentum may come in the form of participation in favored economic trends, country-

specific growth, or other factors. This portfolio may be most suitable to investors who are looking for their investments to be managed in an opportunistic manner, who have a higher tolerance for risk and volatility. The portfolio may experience higher turnover, as changes in momentum will typically drive changes in portfolio holdings.

Dynamic Income – Objective: Seeks to provide income and exhibit lower levels of volatility, through a portfolio consisting mainly of fixed income investments. Investments are made primarily in fixed income, although it may also hold cash and invest across other asset-classes when appropriate. All investments are made through diversified investments such as exchange-traded funds or mutual funds. Investments selected will be based primarily on the macroeconomic climate, as well as the interest rate climate and overall fixed income market place. This portfolio may be most suitable to investors who are concerned with generating income, as well as reducing portfolio volatility compared to other investment types. Investments in the Dynamic Income strategy are not guaranteed and are subject to risk. As a result, investors may lose principal invested.

Diversified Capital Markets – Objective: Seeks to provide broad market equity exposure, through the selection of approximately 4 – 8 diversified instruments, such as exchange-traded funds or mutual funds. Investments selected will be chosen based on the global investment climate and the ability of the investments to represent their respective equity markets. This portfolio may be most suitable to investors who are looking to invest in the broad equity markets, with the diversification of a multi- fund approach. As this is essentially an equity –based strategy, clients should realize a similar risk and volatility profile as with the equity markets.

Balanced Capital Markets – Objective: Seeks to provide balanced exposure between the fixed income and equity markets, through the selection of approximately 4 – 8 diversified instruments, such as exchange-traded funds or mutual funds. Investments selected will be chosen based on the global investment climate and the ability of the investments to represent their respective asset class. This portfolio may be most suitable to investors who are looking to invest across both the equity and fixed income (bond) markets, with the diversification of a multi- fund approach.

Custom Large Position Strategy – This strategy is reserved for clients holding large concentrated single-stock positions. Objective: Seeks to help manage and mitigate downside risk associated with such large, non-diversified single stock positions, through a custom designed program of stop-loss, or other trade type or strategy. The particular strategy will be developed through consultation with the client to understand risk levels and adjust stop-loss triggers accordingly. Once guidelines are established, Bouvel will continue to monitor and adjust the strategy to conform to specified objectives. Clients should realize that any trading strategy holds risk, and that volatility could impact trading performance and results.

Other account strategies may be developed from time to time. Bouvel will also manage client assets outside these strategies to the extent clients direct Bouvel to do so.

Bouvel's managed account asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Bouvel's managed account asset allocation programs, with a non-exclusive safe harbor from the definition of an

investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Bouvel's management of client assets:

1. Initial Interview – at the opening of the account, Bouvel, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly Bouvel shall notify the client to advise Bouvel whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, Bouvel shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – Bouvel shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Bouvel not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Bouvel believes that its annual investment advisory fee charged for managed account asset allocation strategies is reasonable in relation to: (1) the advisory services provided under the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Bouvel's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Bouvel's annual investment advisory fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., advisory fees and other fund expenses). **Please Note:** Bouvel's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

### **Voting Client Securities**

Bouvel does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Bouvel to discuss any questions they may have with a particular solicitation.

#### **Item 7            Client Information Provided to Portfolio Managers**

Bouvel shall be the Program's portfolio manager. Bouvel shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). Bouvel shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Bouvel's services.

As indicated above, each client is advised that it remains his/her/its responsibility to promptly notify Bouvel if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Bouvel's previous recommendations and/or services.

#### **Item 8            Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

#### **Item 9            Additional Information**

- A. Bouvel has not been the subject of any disciplinary actions.

#### **Other Financial Industry Activities and Affiliations**

**Registered Representative of a Broker-Dealer:** In the event that the client desires, the client can engage Stephane Bouvel, in his individual capacity as registered representative of Purshe Kaplan Sterling Investments ("PKS"), an SEC-registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through PKS, PKS will charge brokerage commissions to effect securities transactions. PKS shall pay a portion of such commissions to Mr. Bouvel. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, relative to commission mutual fund purchases, PKS and Mr. Bouvel may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

**Conflict of Interest:** The recommendation that a client purchase a commission product from PKS presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Stephane Bouvel. **Please Note:** Clients may purchase

investment products recommended by Stephane Bouvel through other, non-affiliated broker dealers or agents. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

When Bouvel's representatives sell an investment product on a commission basis, Bouvel does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Bouvel's representatives do not also receive commission compensation for such advisory services. **However**, a client may engage Bouvel to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Bouvel's representatives on a separate commission basis

**Licensed Insurance Agent:** Stephane Bouvel is also a licensed insurance agent and may recommend the purchase of certain insurance-related products on a commission basis. Clients may therefore engage Mr. Bouvel to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation that a client purchase an insurance commission product presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Stephane Bouvel. Clients are reminded that they may purchase insurance products recommended by Bouvel through other, non-affiliated registered representatives of a broker-dealer and/or insurance agents. **Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

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

Bouvel maintains an investment policy relative to personal securities transactions. This investment policy is part of Bouvel's overall Code of Ethics, which serves to establish a standard of business conduct for all of Bouvel's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Bouvel also maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Bouvel or any person associated with Bouvel.

Neither Bouvel nor any related person of Bouvel recommends, buys, or sells for client accounts, securities in which Bouvel or any related person of Bouvel has a material financial interest.

Bouvel and/or representatives of Bouvel may buy or sell securities that are also recommended to clients. This practice may create a situation where Bouvel and/or representatives of Bouvel are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a **conflict of interest**. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Bouvel did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of



Bouvel's clients) and other potentially abusive practices.

Bouvel has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Bouvel's "Access Persons". Bouvel's securities transaction policy requires that Access Person of Bouvel must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Bouvel selects; provided, however that at any time that Bouvel has only one Access Person, he or she shall not be required to submit any securities report described above.

Bouvel and/or representatives of Bouvel may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Bouvel and/or representatives of Bouvel are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above, Bouvel has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Bouvel's Access Persons.

### **Review of Accounts**

For those clients to whom Bouvel provides investment advisory services, account reviews are conducted on an ongoing basis by Bouvel's Principals. All investment advisory clients are advised that it remains their responsibility to advise Bouvel of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Bouvel on an annual basis.

Bouvel may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Bouvel may also provide a written periodic report summarizing account activity and performance.

### **Client Referrals and Other Compensation**

Bouvel receives economic benefits from Fidelity, and may also receive economic benefits from other broker-dealer/custodians including support services and/or products without cost and/or at a discount. Bouvel's clients do not pay more for investment transactions effected and/or assets maintained at any broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Bouvel to a broker-dealer/custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements.

Neither Bouvel nor any of its representatives compensates any person other than its supervised persons for client referrals.

**Financial Information**

Bouvel does not solicit fees of more than \$1,200, per client, six months or more in advance.

Bouvel is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

Bouvel has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Bouvel's Chief Compliance Officer, Stephane Bouvel, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**