



## **Perennial Advisors Group, LLC**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 11, 2018**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Perennial Advisors Group, LLC (“Perennial” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (978) 577-6025 or by email at [dc@perennialadvisorsgroup.com](mailto:dc@perennialadvisorsgroup.com).

Perennial is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Perennial to assist you in determining whether to retain the Advisor.

Additional information about Perennial and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 128600.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Perennial. For convenience, we have combined these documents into a single disclose document.

Perennial believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Perennial encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

There have been no material changes to this Disclosure Brochure since the last filing and distribution to clients

### Future Changes

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

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 128600. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (978) 577-6025 or by email at [dc@perennialadvisorsgroup.com](mailto:dc@perennialadvisorsgroup.com).

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## Item 4 – Advisory Services

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### A. Firm Information

Perennial Advisors Group, LLC (“Perennial” or the “Advisor”) is a registered investment advisor with the Securities and Exchange Commission (“SEC”). Perennial is organized as a Limited Liability Company (“LLC”) under the laws of Massachusetts. Perennial, formerly Carpenter Associates, was founded in January 1998 and became a registered investment advisor in June 1998. Perennial is owned and operated by David Carpenter (Owner and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Perennial.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

### B. Advisory Services Offered

Perennial offers investment advisory services to individuals, high net worth individuals, trusts, estates, and charitable organizations in the Commonwealth of Massachusetts and other states (each referred to as a “Client”). The Advisor will maintain all required registrations in these states unless otherwise exempt.

#### Wealth Management Services

Perennial may provide Clients with wealth management services, which generally includes a broad range of comprehensive financial planning, consulting services in connection with discretionary management of investment portfolios and the preparation of tax returns. These services are described below.

#### Investment Management Services

Perennial provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Perennial works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Perennial will then construct a portfolio comprised of diversified mutual funds, including those offered by Dimensional Fund Advisors (“DFA”) which follow a passive asset class investment philosophy with low holdings turnover. The DFA fund fees are generally lower than fees and expenses charged by other fund providers. Perennial is under no obligation to recommend DFA funds to Clients and do so only when it is believed to be in the Client’s best interest. The Advisor may also utilize individual stocks or bonds to meet the needs of its Clients. The Advisor may retain certain types of investments based on a Client’s legacy portfolio construction.

Perennial’s investment strategy[ies] is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Perennial will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Perennial evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Perennial may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Perennial may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Perennial may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

At no time will Perennial accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. . For additional information, please see "Item 15 – Custody" and "Item 12 – Brokerage Practices".

#### Financial Planning Services

Perennial will typically provide a variety of financial planning services to Clients as part of its wealth management services or as a stand-alone service. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services involve preparing a formal financial plan based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Perennial may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning may pose a conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### **C. Client Account Management**

Prior to engaging Perennial to provide investment advisory services, each Client is required to enter into one or one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Perennial, in connection with the Client, will develop an investment strategy targeted to achieve the Client's investment goals and objectives.
- Asset Allocation – Perennial will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – Perennial will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Perennial will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

Perennial does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Perennial.

#### **E. Assets Under Management**

As of December 31, 2017, Perennial manages \$206,487,118 in Client assets, all of which are managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more agreements with the Advisor.

### A. Fees for Advisory Services

#### Wealth Management Services

For Clients engaged for comprehensive wealth management services, the Client will be charged a single combined fee for investment management, financial planning and tax preparation services. Fees are determined by the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Please see additional details regarding tax preparation services under Item 10 below.

#### Investment Management Services

Investment advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the agreement. Investment advisory fees typically range from \$5,000 to \$15,000 annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

Fees may vary from the above fee range depending on the nature and complexity of each Client's circumstances, or with the inclusion of financial planning services, which is offered on an hourly fee basis, as described below. The Advisor may require a one-time initial fee for a financial plan for all new wealth management Clients, which may be waived at the Advisor's sole discretion.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Financial Planning Services

Perennial offers financial planning services at an hourly rate of up to \$200 per hour. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and overall costs will be provided to the Client prior to engaging for these services.

### B. Fee Billing

#### Investment Management Services

Investment advisory fees are calculated by the Advisor and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter end date. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Perennial to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian. In certain instances, the Client may also elect to pay by check, upon written notice to the Advisor.

#### Financial Planning Services

Financial planning fees are invoiced by the Advisor and are due upon completion of the agreed upon deliverable[s].

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Perennial, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian and executing broker-dealer. The investment advisory fee charged by Perennial is separate and distinct from these custody and execution fees.

In addition, all fees paid to Perennial for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. Depending on the nature of the product, a Client may be able to invest in these products directly, without the services of Perennial, but would not receive the services provided by Perennial which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Perennial to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

Perennial is compensated for its services at the end of the quarter after investment management services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client shall be responsible for advisory fees up to and including the effective date of termination. The Client's agreement with the Advisor is non-transferable without the Client's prior consent.

#### Financial Planning Services

Perennial is compensated for its services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement with Perennial, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

### **E. Compensation for Sales of Securities**

Perennial does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

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Perennial does not charge performance-based fees for its investment advisory services. The fees charged by Perennial are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

Perennial does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7 – Types of Clients**

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Perennial offers investment advisory services to individuals, high net worth individuals, trusts, estates and charitable organizations. The amount of each type of Client is available on the Advisor's Form ADV Part 1A.



These amounts may change over time and are updated at least annually by the Advisor. Perennial generally requires a minimum relationship size of \$500,000 to effectively implement its investment process, which may be reduced at the sole discretion of the Advisor.

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

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

Perennial primarily employs a fundamental analysis in developing investment strategies for its Clients. Research and analysis from Perennial is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, Perennial generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Perennial will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Perennial may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

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

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's strategy:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.



### Mutual Fund Risks

The performance of a mutual fund is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

### **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Perennial or any of its Supervised Persons.** Perennial and its Supervised Persons value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 128600.

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

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#### Tax Services

The Advisor may also assist Clients in the preparation of tax returns. Depending on the terms of the agreement with each Client, the cost for these services may or may not be included in the Advisor's fees. The Advisor receives minimal income derived from tax preparation services. This service may also be outsourced to another accounting and tax preparation firm, where the services will be paid solely by the Advisor. Clients are under no obligation to engage the Advisor for tax preparation services.

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

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#### **A. Code of Ethics**

Perennial has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Perennial (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Perennial and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Perennial's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (978) 577-6025 or via email at [dc@perennialadvisorsgroup.com](mailto:dc@perennialadvisorsgroup.com).

#### **B. Personal Trading with Material Interest**

Perennial allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Perennial does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Perennial does not have a material interest in any securities traded in Client accounts.

#### **C. Personal Trading in Same Securities as Clients**

Perennial allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades

are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Perennial requiring reporting of personal securities trades by its Supervised Persons for review by the CCO or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While Perennial allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Perennial, or any Supervised Person of Perennial, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

Perennial does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Perennial to direct trades to the Custodian as agreed in the investment advisory agreement. Further, Perennial does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Perennial does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a Custodian not recommended by Perennial. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Perennial may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation, and/or the location of the Custodian's offices. Perennial typically recommends that Clients establish accounts at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and member FINRA/SIPC. TD Ameritrade offers to independent investment Advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. The Advisor receives some benefits from TD Ameritrade through its participation in the program. Please see the disclosure under Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. **Perennial does not participate in soft dollar programs sponsored or offered by any broker-dealer.** However, the Advisor does receive certain economic benefits from TD Ameritrade. **Please see "Item 14 – Client Referrals and Other Compensation".**

**2. Brokerage Referrals** - Perennial does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Perennial will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). Perennial will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Perennial will execute its transactions through the Custodian as directed by the Client. Perennial may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by David Carpenter, Chief Compliance Officer of Perennial. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify Perennial if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **Item 14 – Client Referrals and Other Compensation**

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### **A. Compensation Received by Perennial**

Perennial is a fee-only advisory firm that is compensated solely by its Clients and not from any investment product. Perennial does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. Perennial may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Perennial may receive non-compensated referrals of new Clients from various third-parties.

### Participation in Institutional Advisor Platform

As disclosed in Item 12 above, the Advisor participates in TD Ameritrade's Program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research,

technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

#### **B. Client Referrals from Solicitors**

Perennial does not engage paid solicitors for Client referrals.

#### **Item 15 – Custody**

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Perennial does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Perennial to utilize the Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Perennial to ensure accuracy, as the custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

#### **Item 16 – Investment Discretion**

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Perennial generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Perennial. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Perennial will be in accordance with each Client's investment objectives and goals.

#### **Item 17 – Voting Client Securities**

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

#### **Item 18 – Financial Information**

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



## **Form ADV Part 2B – Brochure Supplement**

**for**

**David A. Carpenter  
Principal and Chief Compliance Officer**

**Effective: March 11, 2018**

This Form ADV 2B ("Brochure Supplement") provides information about the background and qualifications of David A. Carpenter (CRD# 4719038) in addition to the information contained in the Perennial Advisors Group, LLC ("Perennial" or the "Advisor", CRD# 128600) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Perennial Disclosure Brochure or this Brochure Supplement, please contact us at (978) 577-6025 or by email at [dc@perennialadvisorsgroup.com](mailto:dc@perennialadvisorsgroup.com).

Additional information about Mr. Carpenter is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4719038.

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## Item 2 – Educational Background and Business Experience

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David A. Carpenter, born in 1955, is dedicated to advising Clients of Perennial as the Principal and Chief Compliance Officer. Mr. Carpenter earned an M.S. in Taxation & Personal Financial Planning from Bentley University in 1997. Mr. Carpenter also earned a B.S. in Accounting and Finance from Ohio University in 1977. Additional information regarding Mr. Carpenter's employment history is included below.

### Employment History:

Principal and Chief Compliance Officer, Perennial Advisors Group, LLC	01/1998 to Present
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## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Carpenter.*** Mr. Carpenter has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Carpenter.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Carpenter.*** However, we do encourage you to independently view the background of Mr. Carpenter on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4719038.

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## Item 4 – Other Business Activities

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Mr. Carpenter is dedicated to the investment advisory activities of Perennial's Clients. Mr. Carpenter does not have any other business activities.

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## Item 5 – Additional Compensation

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Mr. Carpenter is dedicated to the investment advisory activities of Perennial's Clients. Mr. Carpenter does not receive any additional forms of compensation.

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## Item 6 – Supervision

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Mr. Carpenter serves as the Principal and Chief Compliance Officer of Perennial. Mr. Carpenter can be reached at (978) 577-6025.

Perennial has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of Perennial. Further, Perennial is subject to regulatory oversight by various agencies. These agencies require registration by Perennial and its Supervised Persons. As a registered entity, Perennial is subject to examinations by regulators, which may be announced or unannounced. Perennial is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.



## **Form ADV Part 2B – Brochure Supplement**

**for**

**Kenneth B. Hoyt, CFP®  
Financial Advisor**

**Effective: March 11, 2018**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Kenneth B. Hoyt, CFP® (CRD# 4630079) in addition to the information contained in the Perennial Advisors Group, LLC (“Perennial” or the “Advisor”, CRD# 128600) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Perennial Disclosure Brochure or this Brochure Supplement, please contact us at (978) 577-6025 or by email at [dc@perennialadvisorsgroup.com](mailto:dc@perennialadvisorsgroup.com).

Additional information about Mr. Hoyt is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4630079.



## Item 2 – Educational Background and Business Experience

Kenneth B. Hoyt, CFP®, born in 1967, is a Financial Advisor of Perennial. Mr. Hoyt earned a Masters in Finance from Northeastern University in 2001. Mr. Hoyt also earned a Bachelors in Management, Finance from Syracuse University in 1989. Additional information regarding Mr. Hoyt's employment history is included below.

### Employment History:

Financial Advisor, Perennial Advisors Group, LLC	12/2017 to Present
Financial Advisor, Hoyt Wealth Management	05/2014 to 12/2017
Tax Advisor, Intuit	01/2017 to 04/2017
Software Sales, Load DynamiX	10/2015 to 12/2016
Software Sales, IBM Corporation	04/2008 to 10/2015
Financial Advisor, AXA Advisors	01/2007 to 04/2008
Financial Advisor, H&R Block Financial Advisors	04/2004 to 01/2007

### Certified Financial Planner™ (“CFP®”)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Hoyt.*** Mr. Hoyt has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Hoyt.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Hoyt.***

However, we do encourage you to independently view the background of Mr. Hoyt on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4630079.

### Item 4 – Other Business Activities

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Mr. Hoyt is dedicated to the investment advisory activities of Perennial's Clients. Mr. Hoyt does not have any other business activities.

### Item 5 – Additional Compensation

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Mr. Hoyt is dedicated to the investment advisory activities of Perennial's Clients. Mr. Hoyt does not receive any additional forms of compensation.

### Item 6 – Supervision

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Mr. Hoyt serves as a Financial Advisor of Perennial and is supervised by David Carpenter, the Chief Compliance Officer. Mr. Carpenter can be reached at (978) 577-6025.

Perennial has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Perennial. Further, Perennial is subject to regulatory oversight by various agencies. These agencies require registration by Perennial and its Supervised Persons. As a registered entity, Perennial is subject to examinations by regulators, which may be announced or unannounced. Perennial is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.



## **Form ADV Part 2B – Brochure Supplement**

**for**

**Kelsey L. Brennan  
Financial Planning Analyst**

**Effective: March 11, 2018**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Kelsey L. Brennan (CRD# 6266957) in addition to the information contained in the Perennial Advisors Group, LLC (“Perennial” or the “Advisor”, CRD# 128600) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Perennial Disclosure Brochure or this Brochure Supplement, please contact us at (978) 577-6025 or by email at [dc@perennialadvisorsgroup.com](mailto:dc@perennialadvisorsgroup.com).

Additional information about Ms. Brennan is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her Individual CRD# 6266957.

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## Item 2 – Educational Background and Business Experience

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Kelsey L. Brennan, born in 1992, is dedicated to advising Clients of Perennial as a Financial Planning Analyst. Ms. Brennan also earned a Bachelor of Science in Managerial Economics from Bentley University in 2015. Additional information regarding Ms. Brennan's employment history is included below.

### Employment History:

Financial Planning Analyst, Perennial Advisors Group, LLC	07/2015 to Present
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## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Ms. Brennan.*** Ms. Brennan has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Ms. Brennan.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Ms. Brennan.***

However, we do encourage you to independently view the background of Ms. Brennan on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her Individual CRD# 6266957.

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## Item 4 – Other Business Activities

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Ms. Brennan is dedicated to the investment advisory activities of Perennial's Clients. Ms. Brennan does not have any other business activities.

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## Item 5 – Additional Compensation

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Ms. Brennan is dedicated to the investment advisory activities of Perennial's Clients. Ms. Brennan does not receive any additional forms of compensation.

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## Item 6 – Supervision

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Ms. Brennan serves as a Financial Planning Analyst of Perennial and is supervised by David Carpenter, the Chief Compliance Officer. Mr. Carpenter can be reached at (978) 577-6025.

Perennial has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of Perennial. Further, Perennial is subject to regulatory oversight by various agencies. These agencies require registration by Perennial and its Supervised Persons. As a registered entity, Perennial is subject to examinations by regulators, which may be announced or unannounced. Perennial is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.