



**Naples Asset Management Company<sup>®</sup>, LLC**  
Registered Investment Advisor

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## **FIRM BROCHURE**

**Effective August 1, 2016**

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This Brochure provides information about the qualifications and business practices of Naples Asset Management Company<sup>®</sup>, LLC. ("NAMCO")

If you have any questions about the contents of this Brochure, please contact us at 239-593-5525. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Naples Asset Management Company<sup>®</sup>, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Naples Asset Management Company<sup>®</sup>, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Naples Asset Management Company<sup>®</sup>, LLC is 133978.

**Naples Asset Management Company<sup>®</sup>, LLC**  
**Form ADV Part 2A**  
**Firm Brochure**

**IARD/CRD No. 133978**  
**SEC File No.: 801-66945**

## Item 2 Material Changes

The last annual update of this brochure was in February 2016. Since that time, NAMCO has created a Wrap Fee Program and with this filing update, we are also making the initial filing of the **Wrap Fee Program Brochure** (Form ADV Part 2A, Appendix 1).

We have also adding language to this Firm Brochure (Form ADV Part 2A) to allow an Investment Advisory Representative ("IAR") to conduct his/her investment advisory activities under a separate business name or "DBA" ("doing business as"). Such advisors, while registered with NAMCO as IARs, are independent contractors. NAMCO supervises the IARs' investment advisory activities.

Item 4 is updated to show Paul McIntyre is the Managing Director and owner

Item 4 to state NAMCO does not limit its advisory services to specific types of investments

Item 5 is updated to reflect NAMCO may charge fees on a flat fixed, flat floating or customized tiered basis

Item 5 is updated to reflect clients charged management fees on a monthly basis will not have their accounts pro- rated for contributions or withdrawals

Item 8 is updated to reflect the risk of types of investments used by NAMCO in client portfolios

Item 10 is updated for potential conflicts of interests and other financial registrations

Item 13 is updated to reflect market events that might trigger intermin client account reviews

Item 18 is updated in reference to advance fees collected by NAMCO

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## Advisory Business

(Form ADV Part 2A, Item 4)

### **Item 4 — Description of Services and Fees**

Naples Asset Management Company®, LLC (“**NAMCO**”) is a registered investment adviser (“RIA”) based in Naples, Florida and is registered to conduct business in states it is registered, or qualifies for an exemption or exclusion from registration requirements. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory and consulting services since 2003. Paul McIntyre is the Managing Director and owner of the firm.

NAMCO provides investment advisory services through supervised financial professionals who are investment advisory representatives (“**IARs**”) of the firm. The majority of IARs conduct their investment advisory activities under NAMCO. However, an IAR is allowed to conduct his/her investment advisory activities under a separate business name or “**DBA**” (“doing business as”). Such advisors, while registered with NAMCO as IARs, are independent contractors. NAMCO supervises the IARs’ investment advisory activities. Investment advisory agreements (“**IAAs**”) and marketing materials clearly disclose NAMCO as the RIA with whom clients are engaging for investment advisory services. Currently, we offer the following investment advisory services:

- **Portfolio Management Services**
- **Retirement Plan Services**
- **Investor Education**
- **Consulting Services**

## **Portfolio Management Services**

NAMCO offers portfolio management services on a discretionary and non-discretionary basis. NAMCO may offer an initial complementary general consultation to discuss services available, and determine the suitability of a potential client-adviser relationship. Portfolio management services will only begin after the client and NAMCO have formalized the relationship with a signed Advisory Services agreement. Once the relationship is formalized, NAMCO and the client will share in a data gathering process in an effort to try to determine the client's personal needs, goals, intentions, time horizons, risk tolerance and investment objectives.

Portfolio management services involve ongoing and continuous portfolio management services that include, but are not limited to, risk management, investment policy, asset allocation, active or passive strategy, and performance monitoring. In the delivery of investment management services, NAMCO provides investment advisory services.

Investment objectives may range from conservative income to aggressive growth, with the input of each client, NAMCO will attempt to construct a diversified portfolio of investments that are within its realm of expertise.

Additionally, based upon information provided by the client, NAMCO may prepare an evaluation of existing portfolio investments and provide recommendations to the client for other investments as appropriate.

Clients may provide instructions to NAMCO to refrain from investing in particular industries, invest in limited amounts of securities, and request that NAMCO issue checks or electronic fund transfers to or for the benefit of the client. The checks or fund transfers will be completed by the custodian, and sent directly to the client. Please note: **NAMCO does not have custody over client funds.**

### **Wrap Fee Program**

NAMCO sponsors the Advisor Managed Wrap Fee Program (the "Program") and offers the services of the Program to both its existing and prospective clients. Under a wrap fee program, the wrap fee program sponsor arranges for the client to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee.

Participation in a wrap fee program may cost the clients more or less than purchasing such services separately. Clients who are recommended the services of the Program by Advisor should receive a copy of Appendix 1 of Advisor's Form ADV, for the Program (the "Wrap Fee Program Brochure") which contains important information about the Program that should be read carefully. If you did not receive a copy of the Wrap Fee Program Brochure, please contact us at (239) 593-5525.

In addition to sponsoring the Program, Advisor also makes available some of its portfolio management services to the Program's wrap fee clients. There are no material differences in how Advisor manages the accounts of the Program's wrap fee clients and Advisor's other non-wrap fee clients. As compensation for its provision of portfolio management services to clients of the Program, Advisor receives a portion of the Program's wrap fee.

### **Types of Investment**

Depending on the needs of the clients, NAMCO may recommend or provide consulting services on listed securities, exchange traded funds, mutual funds, corporate bonds, U.S. Government securities, tax-exempt municipal bonds, real estate and other fixed income securities. NAMCO does not limit its advice to any specific types of investments.

### **Types of Investments Services**

NAMCO provides portfolio management, investment advisory and consulting services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, broker dealers, municipalities, registered mutual funds, private investment funds, registered investment advisors and trust programs.

NAMCO's advisory relationship is formalized at the time NAMCO and the client sign an Advisory Services Agreement.

### **Third Party Managed Account Solutions**

In addition to offering services directly to investment advisory clients, the Advisor also provides investment management services through and sponsored by independent, third party investment firms, other registered investment advisory firms, and investment management consultants (collectively, "**Third Party Advisors**" or "**Platform Managers**").

NAMCO has entered into agreements with Envestnet Asset Management, Inc., SEI Private Trust Company, ePlan, Betterment Securities, and Covestor Limited, or/and other such firms (collectively, "**Platform Managers**") relating to the investment advisory and performance measurement services that may be provided to a Client by Advisor and a Platform Manager. Advisor may determine that Client may be a suitable participant and may recommend to Client that Client participate in the Managed Account Solutions Program (the "Program") offered by Platform Manager.

Third Party Advisors and Platform Managers are responsible for managing brokerage accounts for their customers.

Client understands that a Platform Manager and Advisor are not affiliated other than through jointly providing services to the Program. A Platform Manager, a registered investment adviser, operates the technology platform on which the Program functions and renders investment advice to Advisor and/or Client, including recommending an appropriate asset allocation for Client and specific investment managers or investment products. Aspects outlining services, costs and management options are disclosed in the appropriate Third Party Advisor's or Platform Manager's Firm Brochure (Form ADV Part 2), other disclosure brochures/documents, investment advisory contracts, and account opening documents. Each investor will be required to sign an advisory agreement directly with the Third Party Advisor selected.

In addition to a Platform Manager's advisory services offered in their Program, other advisory service tools may be provided, including administrative and technology services. A Client's Advisor determines which services and Programs to utilize with its Clients and may utilize the services of other third-party services providers in conjunction with the Programs that a Client may discuss with their Advisor for a description of that Advisor's specific use of a Program.

#### **The services offered by a Platform Manager may include:**

- Assessment assistance of the Client's investment needs and objectives
- Investment policy planning assistance
- Assistance in development of an asset allocation strategy designed to meet the Client's objectives
- Recommendations on suitable style allocations
- Identification of appropriate managers and investment vehicles suitable to the Client's goals
- Evaluation of asset managers and investment vehicles meeting style and allocation criteria
- Engagement of selected asset managers and investment vehicles on behalf of the Client

Ongoing monitoring of individual asset manager's performance and management for "Approved" investment strategies

- Review of Client accounts to ensure adherence to policy guidelines and asset allocation
- Recommendations for account rebalancing, if necessary
- Online reporting of Client account's performance and progress

For all Programs, Client and Advisor compile pertinent financial and demographic information to develop an investment program that will meet the Client's goals and objectives. Utilizing the Platform Manager's tools, Advisor will allocate the Client's assets among the different options in the Program and determine the suitability of the asset allocation and investment options for each Client, based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. The Platform Manager's research team uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies.

Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. For all Programs, the Client directly owns the underlying securities, mutual funds or Exchange Traded Funds ("ETFs") in each of the Program's investment strategies. Mutual funds, ETFs, closed-end funds, unit investment trusts, real estate investment trusts, and exchange traded funds are collectively referred to throughout this document generally as a "Fund" or "Funds."

### **Assets Under Management**

As of December 31, 2015, NAMCO manages **\$104,815,152** of investment assets. **\$43,299,905** are managed on a discretionary basis and **\$61,515,247** on a non-discretionary basis.

## **Retirement Plan Services**

NAMCO may provide FLAT-FEE (no commission) advisory and fiduciary services for the following types of corporate retirement plans:

- 401(k)s
- 403(b)s
- Profit-sharing
- Defined benefit (pension)
- SEPs, SAR SEPs, KEOGHs, and Self-employed 401(k)s
- SIMPLE IRAs and SIMPLE 401(k)s
- Executive bonus arrangements
- Deferred compensation plans, including 457 plans

### **Services NAMCO May Offer To Corporate Retirement Plan Clients**

- Plan analysis, design, and solution modeling

- Conduct and present a comparative analysis of the services and fees of multiple service providers
- Assist with the creation and ongoing implementation of an Investment Policy Statement for the Plan
- Conduct a regular and ongoing analysis and evaluation of the Plan investments per the terms of the plan's Investment Policy Statement
- Propose the removal and replacement of investment alternatives as needed per the terms of the Plan's Investment Policy Statement
- Serve as co-fiduciary with regard to ERISA requirements related to investment manager selection and monitoring
- Provide comprehensive education and consulting to participants

## **Investor Education**

NAMCO recognizes that education and awareness are powerful tools in decision making, enhancing investment returns, decreasing portfolio risk and in the fight against investment fraud. NAMCO offers a variety of investor education programs that can be customized for Employees, 401k Plan participants and other organizations. Please contact us for more information on designing a program to fit your needs.

## **Consulting Services**

In addition to fee-based or flat-fee advisory services, NAMCO provides consultations offered at an hourly rate or fixed fee project rate. Project fees will generally be based upon NAMCO's hourly rate.

Consulting services are not ongoing in nature and terminate upon the conclusion of services. For investors, consulting services can be general in nature or focused on particular component, depending upon the client's needs. Advice is based upon information provided by the client. Topics and assistance may range from overall investment advisory questions, review of an existing portfolio, project, research and analysis, consultation regarding suitability or verification of statements as may otherwise be desired by the client. When consulting services is focused on certain areas of the client's interests or needs, the client's overall financial situation or needs may not be addressed due to the limited scope of the client's request.

NAMCO is also available to provide services to financial professionals and qualified investors, which may include consultation, research and analysis, document drafting, and other areas of assistance that may be desired. Services are provided hourly at \$400 or at a quoted project fee, dependent upon the nature and complexity of the project.

Clients are never obligated to utilize the services or companies that may be recommended by NAMCO. NAMCO may require a retainer in order to schedule projects. Fees or project balances for consultations are due and payable upon delivery o

### **Types of Consulting Services**

- **Asset Management Consulting Services.** NAMCO may provide consulting services to registered investment advisors; FINRA members, Mutual Fund Sponsors, Fund Issuers and Bank Trust Departments on third party “turnkey” asset management platforms and investment managers.
- **Administrative Services.** NAMCO may also charge the issuer of a security an initial and or on-going administrative fee for consulting, accounting and administrative services. NAMCO may provide initial and ongoing consulting to business owners or issuers of private investment offerings.
- Representatives of NAMCO, when properly licensed in their state, may offer various levels of insurance consulting services and product solutions to clients. This may involve the recommendation of one or more life insurance and annuity products offered through an insurance company that specializes in insurance products. The types of consulting services on insurance product needs may range from immediate annuities, to survivorship life insurance products that may include term life, whole life, universal life, variable universal life, long-term care solutions and structured settlements. Insurance product sales are outside the scope of normal portfolio services offered by the Company.

Products are selected and recommended by an adviser, on criteria important to the client, including the financial strength of the insurance company, premium cost, declared rates of interest, income and/or annuity purchase rates.

## Fees and Compensation

Form ADV Part 2A, Item 5)

### **Item 5 — Fees and Compensation**

NAMCO’s fees are negotiable. The specific manner in which fees are charged by NAMCO is established in a written Advisory Services agreement between NAMCO and the client. Fees may be charged as a percentage of assets under management, flat fixed fee, floating flat fees or customized tiered fees.

Clients may elect to be billed in advance or in arrears each calendar quarter or on a monthly basis. Clients may also elect to be billed directly for fees or to authorize NAMCO to directly debit fees from the client’s account, in which case NAMCO would send an invoice directly to the qualified custodian holding the client’s assets to have the fees deducted from the client’s account. Fees will be based on a percentage of assets under management on the last trading day of the billable quarter.

The portfolio balance will be determined by the market value reported by the custodian. In the absence of a set market value, a value will be agreed upon between NAMCO and the client. NAMCO’s fees are negotiable, usually a fee of 1.50% per annum will be charged for assets of up to \$1 million, 1.25% for assets up to \$5 million and 1.00% for assets over \$5 million.

Advisory services fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). If the client is charged on a monthly basis there will not be a prorated adjustment for contributions or withdrawals. Accounts opened or terminated during a calendar quarter or month will be charged a prorated fee based on the number of days advisory services were provided to the account during the calendar quarter or month. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be immediately due and payable.

NAMCO may direct clients to third party money managers. NAMCO will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be disclosed in each

contract between NAMCO and each third party advisor. This creates a conflict of interest in that NAMCO has an incentive to direct clients to the third party money managers that provide NAMCO with a larger fee split. NAMCO will always act in the best interests of the client, including when determining which third party manager to recommend to clients. NAMCO will ensure that all recommended advisors or managers are licensed or notice filed in the states in which NAMCO is recommending them to clients.

For non-wrap fee accounts Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by NAMCO. Please see Item 12 of this brochure regarding broker/custodian.

Fees for advisory services may be modified in certain situations according to individual circumstances, the complexity of services required, pre-existing relationships, for family members of NAMCO, or at the discretion of NAMCO. Advisory services fees will not be “performance based” (based upon a share of capital gains or capital appreciation for any portion of funds under an advisory contract).

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

(Form ADV Part 2A, Item 6)

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

Neither NAMCO nor its supervised person’s charges performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). For accounts it manages, all fees for advisory services are determined by the percentage of assets under management in the client’s account at the end of the billable quarter.

NAMCO may recommend to high net investors certain outside money managers that may charge “Performance-Based fees” (fees based on a share of capital gains on or capital appreciation of the assets of a client), however in those instances, different client suitability standards are applied and additional disclosure documents must be provided to a potential client before any services may be rendered.

## **Types of Clients**

(Form ADV Part 2A, Item 7)

### **Item 7 — Types of Clients**

NAMCO’s clients are individual investors, retirement plans, endowment funds, family offices, business owners and other institutional entities. We offer investment advisory services to individuals and institutions. In general, we require a minimum account size of \$100,000. At our discretion, we may waive this minimum account size. We may waive the minimum requirement if you are referred to us by an intermediary (Investment Advisor Representative, Registered Representatives or Investment Consultant) or if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. We have the right to terminate this account if it falls below a minimum size, which, in our sole opinion, is too small to effectively manage.

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

(Form ADV Part 2A, Item 8)

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

NAMCO attempts to measure an investor's risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio that best fits the investor's profile.

Numerous publicly available sources of economic, financial and investment research are used by NAMCO. Mutual fund recommendations are based on performance reports and analysis of managers obtained from common sources. Asset allocation software and historical performance modeling software may also be utilized.

Investment strategies may be based upon a number of concepts and determined by the type of investor. NAMCO's advice and recommendations are based upon information received from the client. Investing in securities involves risk of loss that clients should be prepared to bear. Such loss may result from inflation, deflation, interest rate, default, terrorism and other unknown risks that could affect investment market values, liquidity and cash flow for investments.

Clients may choose to have NAMCO implement a portfolio strategy that includes a combination of passive and actively managed investment styles. The asset allocation strategy designed is based on each client's stated timeframe and risk tolerance. Portfolios are diversified in various asset classes, reviewed quarterly and rebalanced per the client's direction or at NAMCO's discretion.

NAMCO's recommended portfolio allocation and holdings may change based on market conditions and the attractiveness of individual holdings. Assessment of the market's strength/weakness as defined by institutional investing trends, performance of leading stocks, sector leadership as well as numerous other factors help determine the asset classes allocation of the portfolio.

NAMCO may consider investments in individual security issues and may recommend the purchase or sale of individual issues. The investment plan will contain assets in classes that NAMCO believes, based upon historical data, have attractive combinations of return, risk and correlation. Emphasis will be placed on optimizing performance of the portfolio while attempting to control risk.

NAMCO provides advisory services for portfolios ranging from aggressive to conservative, designed to meet the varying needs of the investors. Clients select the portfolio best suited to their individual needs.

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official

sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to

be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private equity funds** carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Disciplinary Information**

(Form ADV Part 2A, Item 9)

### **Item 9 — Disciplinary Information**

NAMCO is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NAMCO or the integrity of NAMCO's management. Neither NAMCO nor its management persons has been involved in any legal or disciplinary events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction, an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, any foreign financial regulatory authority, or a self-regulatory organization proceeding.

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

(Form ADV Part 2A, Item 10)

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

Investment Advisory Representatives may be affiliated with a FINRA member broker dealer and disclose any such affiliation. Paul McIntyre is the registered principal and Chief Compliance officer of MSC-BD, LLC.

Neither NAMCO nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Investment Advisory Representatives may suggest that advisory clients place transactions through MSC-BD, LLC. If client transactions are executed through MSC-BD, LLC Paul McIntyre an Investment Advisory Representative will receive normal commissions, thus creating a conflict of interest between NAMCO's management persons and its clients. Any suggestion must be suitable and meet a client's objectives and profile. Clients are not required to utilize any NAMCO employee in their capacity as a registered representative.

Certain Investment Advisory Representatives are also registered insurance agents under an insurance agency NAMCO Benefits, LLC controlled by Paul McIntyre. From time to time they may offer clients insurance services. This is a conflict of interest with the fiduciary interests of a registered investment adviser as commissions are earned in the sale of insurance products. NAMCO always acts in the best interests of clients; including the sale of commissionable products to clients. Clients are in no way required to purchase any product or service in any representative's capacity as an insurance agent.

NAMCO may recommend unaffiliated third party separate account managers that may offer investment programs that may help clients to meet their stated objectives. NAMCO will be compensated via a fee share from the third party separate account managers. This relationship will be disclosed in each contract between NAMCO and each third party separate account manager. This creates a conflict of interest in that NAMCO has an incentive to direct clients to third party separate account managers that provide NAMCO will a larger fee split. NAMCO will act in the best interest of the client, including when determining which third party separate account manager to recommend to clients.

Clients are never under any obligation to use a service or firm that may be recommended. At the time of the recommendation, NAMCO will deliver to the client the third party manager's ADV Part 2 or substitute brochure, compensation disclosure and any other information that may be required by securities rules and regulations.

Clients are never under any obligation to purchase products that are recommended through NAMCO or other financial services providers.

## **Code of Ethics**

**(Form ADV Part 2A, Item 11)**

### **Item 11 — Code of Ethics**

NAMCO has adopted a Code of Ethics (the "Code") for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of rumor mongering, restrictions on the acceptance of significant gifts of amounts exceeding \$100 dollars, reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at NAMCO must acknowledge the terms of the Code annually, or as amended.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of NAMCO will not interfere with NAMCO's duty to (i) make decisions that are in the best

interest of its advisory clients and (ii) implement such decisions while, at the same time, allowing employees to invest for their own accounts.

NAMCO anticipates that, in appropriate circumstances, consistent with the client's investment objectives, it will cause accounts over which NAMCO has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NAMCO, its affiliates, directly or indirectly, have a position of interest.

NAMCO's employees and persons associated with NAMCO are required to follow NAMCO's Code. Subject to requirements of the Code officers, directors and employees of NAMCO and its affiliates may trade for their own accounts in securities, which are recommended to and/or purchased or sold for NAMCO's clients.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with NAMCO's duties to act in the best interest of its clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. As a result, employee trading is continually monitored to reasonably prevent conflicts of interest between NAMCO and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NAMCO's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. NAMCO will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

A copy of NAMCO's Code of Ethics will be provided to any client or prospective client upon request. Client or prospective clients may also obtain a copy at [www.NaplesAM.com](http://www.NaplesAM.com).

## Brokerage Practices

(Form ADV Part 2A, Item 12)

### **Item 12 — Brokerage Practices**

NAMCO does not maintain custody of your assets, on which we advise, as these must be maintained in an account with what is considered a "qualified custodian," generally a broker-dealer or bank. NAMCO recommends that our clients use Fidelity Investments, SEI, Betterment Securities, or another similarly registered broker-dealer, as the qualified custodian. NAMCO is independently owned and operated and is not affiliated with any broker-dealer at the firm level, however its Compliance Officer also provides compliance services to MSC-BD, LLC a FINRA member broker dealer.

A Broker Dealer will hold your assets in an account and can buy and sell securities when we and/or you instruct them to. While we recommend that you use the above mentioned custodian/brokers, you will decide whether to do so, and with whom. We do not open the account for you, although we may assist you in doing so.

## **HOW WE SELECT BROKERS/CUSTODIANS**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

## **YOUR BROKERAGE AND CUSTODY COSTS**

For our clients' accounts that a Platform Manager maintains, the Broker Dealer generally does not charge separately for custody services, but is compensated as part of the Platform Manager fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having a Platform Manager execute trades is consistent with our duty to seek "best execution" of an account trade. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Aspects outlining services, costs and management options are disclosed in the appropriate Platform Manager's Firm Brochure" which will be provided if the Advisor and Client agree to participate in those services.

## **SERVICES AVAILABLE TO NAMCO VIA A PLATFORM MANAGER**

Management Platforms, as described, are designed to be of institutional quality, provide both investment and advice designed to serve independent investment advisory firms like NAMCO. These management platforms usually make available various support services which may not be available to regular retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Some of these support services may include:

- a. Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
- b. Provide access to client account data (such as duplicate trade confirmations and account statements).
- c. Provide pricing and other market data.
- d. Assist with back-office functions, recordkeeping, and client reporting.
- e. Educational conferences and events.
- f. Consulting on technology, compliance, legal, and business needs.
- g. Publications and conferences on practice management and business succession.

## Review of Accounts

(Form ADV Part 2A, Item 13)

### **Item 13 — Review of Accounts**

Each client's financial statements and investments are reviewed on an annual or more frequent basis. We discuss each client's financial situation (losses, gains, purchases, sales, investment goals, etc.) We make the required adjustments to the client's portfolio based on the client's financial situation, investment objectives and risk tolerance. Each Investment Advisor Representative is responsible for their client account reviews which are based upon a variety of factors, including routine time-based triggers as well as securities holdings and investment objective related issues.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Clients also receive monthly statements from Fidelity Investments, or where their consolidated accounts of assets are held. Some custodians including Fidelity Investments, if they deem an account has not had "activity" for a particular month, no statement for that month will be sent.

## Client Referrals and Other Compensation

(Form ADV Part 2A, Item 14)

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

NAMCO may enter into referral fee arrangements with duly registered persons or firms, or persons or firms exempt from registration. Under the terms of the referral arrangement, NAMCO compensates the referral source when referrals are provided to NAMCO. These fees will either be paid in the form of a one-time fee or based upon a percentage of the value assets of the referred Client.

Such referral relationships do not affect the fees that clients pay to NAMCO. In each instance appropriate disclosure documents would be delivered to prospective clients at the time of the referral, as required by the rules and regulations of the Investment Advisers Act of 1940, as amended.

Please see Item 12 for a discussion on potential economic benefits received from Platform Managers

## Custody

(Form ADV Part 2A, Item 15)

### **Item 15 — Custody**

NAMCO does not have custody of clients' assets. Clients receive monthly or quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. NAMCO urges you to carefully review such statements and compare such custodial records to the account statements that NAMCO may provide to you. NAMCO's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Investment Discretion

(Form ADV Part 2A, Item 16)

### **Item 16 — Investment Discretion**

NAMCO may receive discretionary authority from the client at the outset of an advisory relationship via an advisory contract to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and risk tolerance for the particular client account. NAMCO's discretionary authority does not include the withdrawing of funds or securities from the client's account. When selecting securities and determining amounts, NAMCO observes the client's written investment policies, limitations and restrictions. For registered investment companies, NAMCO's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor longer term holding of investments once made.

## Voting Client Securities

(Form ADV Part 2A, Item 17)

### **Item 17 — Voting Client Securities**

As a matter of firm policy and practice, NAMCO does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in the client's portfolio. NAMCO may provide advice to clients regarding the client's voting of proxies.

## Financial Information

(Form ADV Part 2A, Item 18)

### **Item 18 — Financial Information**

In this Item 18 NAMCO is required to provide you with certain financial information or disclosures about its financial condition. NAMCO has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

NAMCO does not require nor solicit more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

## Requirements for State Registered Advisers

(Form ADV Part 2A, Item 19)

### **Item 19 — Requirements for State Registered Advisers**

NAMCO is a registered investment advisor with the Securities and Exchange Commission. The Chairman and CEO of the firm is Paul J. McIntyre who also serves as its Chief Compliance Officer. Bryan Smith is NAMCO's Director of Asset Management and Director of Retirement Services.

NAMCO may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements.

Investment Advisory Representatives of NAMCO will have experience in investment consulting, investment management and/or a brokerage background. In considering candidates, NAMCO prefers several years of industry experience with weight being given to those with a college degree and/or advanced industry designations.