

Item 1 – Cover Page



Fort Point Capital Partners, LLC
275 Sacramento Street, 8th Floor
San Francisco, CA 94111
(415) 449-0570
www.fortpointcap.com
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This Brochure provides information about the qualifications and business practices of Fort Point Capital Partners, LLC ("Fort Point"). If you have any questions about the contents of this Brochure, please contact us at 415.449.0570 or email us at info@fortpointcap.com. 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.

Fort Point is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Fort Point is also available on the SEC's website at www.adviserinfo.sec.gov.



Item 2 – Material Changes

Since our update to Form ADV Part 2 on June 20, 2011, this Brochure has been updated to include the following:

- Fort Point has added an additional standard fee schedule that includes a minimum annual minimum fee of \$12,500. Fort Point's fee schedules are described in Item 5.
- Additional risk disclosure information regarding securities lending in Item 8.
- We have clarified disclosures regarding our brokerage practices in Items 12 and 14.
- Ralph Drybrough, a principal of Fort Point is no longer a broker dealer representative of Andrews Securities, LLC.



Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	4
Advisory Services	4
Item 5 – Fees and Compensation	5
Management Fees	5
Expenses	7
Compensation for Sale of Securities	7
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Investment Strategies	8
Risk of Loss	10
Item 9 – Disciplinary Information	14
Item 10 – Other Financial Industry Activities and Affiliations	14
Item 11 – Code of Ethics	15
Item 12 – Brokerage Practices	16
Principal and Cross Transactions	18
Item 13 – Review of Accounts	18
Periodic Client Account Reviews and Meetings	18
Client Reports	18
Item 14 – Client Referrals and Other Compensation	19
Item 15 – Custody	19
Item 16 – Investment Discretion	20
Item 17 – Voting Client Securities	20
Item 18 – Financial Information	21



Item 4 – Advisory Business

Fort Point Capital Partners, LLC (“Fort Point”) has been in business since October 2008 and is owned by Ralph Drybrough and Jeff Wycoff.

Ralph M. Drybrough III founded Fort Point in 2008. Prior to founding Fort Point, Mr. Drybrough was a financial advisor and principal with Presidio Capital Advisors from 2005 to 2008. Between 1999 and 2005, Mr. Drybrough was a registered representative and financial advisor with Merrill Lynch & Co. Mr. Drybrough began his career in the financial industry at UBS/PaineWebber in Chicago, Illinois, where he worked as a registered representative and financial advisor. Mr. Drybrough received a B.A. in Journalism/History from Indiana University, Bloomington, Indiana in 1997.

Prior to founding Fort Point in 2008, **Jeffrey Wycoff** was a financial advisor and principal with Presidio Capital Advisors from 2005 to 2008. Between 1997 and 2005, Mr. Wycoff was a registered representative and financial advisor with Merrill Lynch & Co. Mr. Wycoff attended the University of California, Berkeley through 1992 and the University of California, Los Angeles through 1996.

Advisory Services

Fort Point provides investment supervisory services regarding equities, exchange traded funds, investment company shares, options, fixed-income, and cash equivalent securities to individually-managed accounts. We may also select other investment advisers to manage all or a portion of a client’s account, as well as choose to invest client assets in limited partnerships, private investment programs, and other private placements (including through third parties). Account supervision is on a discretionary basis, with our holding a limited power of attorney to act on a discretionary basis with client securities. Client securities are held by qualified custodians, or in the case of limited partnerships and other private placements, are subject to annual audited financial statements by an outside certified public accountant. Account management by us is guided by the stated objectives of the client, taking into consideration the client’s risk profile and financial status. The principal owners of Fort Point are Ralph Drybrough and Jeff Wycoff. Clients do not impose restrictions on investing in certain securities or types of securities. Each client’s financial goals and needs are assessed and the investment advice given is tailored towards those goals.



Our investment style encompasses broad diversification with risk management. This is achieved through accessing:

- Up to 45 independent return sources across four major asset classes representing over 10,000 securities, including ETFs, mutual funds, and hedge funds and private equity funds that typically own or synthetically replicate the returns of anywhere from a few to hundreds of securities
- Utilizing options strategies to hedge positions

We view ourselves as risk managers with a threefold approach to our management style including, global diversification, active risk management and cost reduction through negotiating better pricing with our custodians. In short, we seek to tightly control the controllable: risk, tax, cost and liquidity. We tailor our advisory services to the individual needs of our Clients

We build each portfolio based on the factors that we believe influence risk most. It is our belief that standard allocation models are too highly correlated. This high correlation coupled with market volatility leave portfolios over-exposed at precisely the wrong time. As such, we employ an enhanced option overlay strategy to systematically reallocate in any market environment, thus offering clients the benefit of broad-based index investing with risk management through utilizing options to hedge overall risk. This option overlay strategy is effected through sub-advisers, Cypress Point Solutions and LOG-e.

As of December 31, 2011, Fort Point had \$182,750,000 under management on a discretionary basis.

Item 5 – Fees and Compensation

Management Fees

Our compensation is negotiable, and arrangements with individual clients may vary. However, fees are generally equal to a certain percentage of assets under management. Most fees are payable in advance in quarterly installments at the beginning of each calendar quarter. Assets under management with qualified custodians are valued at the close of the market on the last day of the preceding quarter. Limited partnership assets are valued as of the most recent statement that Fort Point has received from the limited partnership.



The standard rates below are subject to an annual minimum fee of \$45,000:

MARKET VALUE OF ASSETS UNDER SUPERVISION	ANNUAL RATES
First \$10,000,000	0.90%
\$10,000,001 to \$50,000,000	0.60%
\$50,000,001 to \$100,000,000	0.40%
Amounts over \$100,000,000	AS NEGOTIATED

The standard rates below are subject to an annual minimum fee of \$12,500:

MARKET VALUE OF ASSETS UNDER SUPERVISION	ANNUAL RATES
First \$2,000,000	1.25%
\$2,000,001 to \$4,000,000	1.15%
\$4,000,001 to \$6,000,000	1.00%
\$6,000,001 to \$8,000,000	0.90%
\$8,000,000 to \$10,000,000	0.80%
Amounts over \$10,000,000	AS NEGOTIATED

We believe that our fees are competitive with those fees charged by other investment advisers for comparable services; however, comparable services may be available from other sources for lower fees than those that we charge. **The fees charged by us are separate from those fees charged by a client's chosen subadvisers or any private placements in which client assets may be invested.**

The specific manner in which fees are charged by us is established in a client's written agreement with us. Clients may elect to be billed directly for fees or to authorize us to directly debit fees from client accounts. Management 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). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

In certain cases clients may request that we purchase or maintain pre-existing or other securities positions in custodial accounts maintained with us, or with limited partnerships and other private placements, that are not consistent with our investment strategy. In such cases, we typically agree not to charge a fee on such assets, but with the specific understanding that these are non-managed assets for which the client is responsible for determining the suitability of maintaining such a position. We will not sell such securities without specific written instructions from the client.



Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Limited partnerships, private funds, and private investment programs also charge internal fees, which are disclosed in the confidential offering memorandum or program documents.

Such charges, fees and commissions are exclusive of and in addition to our fee.

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

Compensation for Sale of Securities

Ralph Drybrough and Jeff Wycoff are also principal owners of Cypress Point Solutions, a SEC-registered investment adviser. Cypress Point Solutions, LLC ("Cypress Point Solutions") may be compensated for placements of series of Cypress Point Investment Solutions, LLC, ("CPIS") an investment program sponsored by Cypress Point Solutions. Because of their ownership interest in Cypress Point Solutions, Mr. Drybrough and Mr. Wycoff may have a conflict of interest in recommending clients to use the services of Cypress Point Solutions, including investments in CPIS. Notwithstanding this conflict of interest, Fort Point will only recommend an investment in a CPIS series when it believes the investment to be in the best interest of a client, considering the client's objectives, risk tolerance, limitations and capital available for investment.

Fort Point does not reduce its advisory fees to offset the compensation that Cypress Point Solutions or Cypress Point Solutions supervised persons may receive for sales of a CPIS series.

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

In the future, Fort Point may enter into performance fee arrangements with qualified clients: and such fees will be subject to individualized negotiation with each such client. We will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 ("The Advisors Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients'



assets for the calculation of performance-based fees, we will include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. If Fort Point enters into a performance fee arrangement, it will implement procedures designed to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

We provide portfolio management services to individuals and high net worth individuals and trusts.

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

Investment Strategies

We strive to provide each client with a sustainable investment experience by pursuing a consistent strategy tailored to each client's risk tolerance described in each client's investment profile and build our client profiles. We take into consideration the following factors when building a client's portfolio:

- Identify client's risk tolerance
- Define the client's time horizon
- Ensure that the client's liquidity needs are assessed and met
- Define market metrics which include volatility and correlation

Because volatility and correlation of asset classes change over time, these changes can cause a client's risk profile to change as well. As such, we regularly rebalance our clients' portfolios in an attempt to mitigate this change. Our method of analysis involves using hedging strategies that reduce volatility. Because owning a portfolio of complimentary highly correlated assets over time may increase the risk of financial catastrophe and a coordinated drawdown, we employ an enhanced option overlay strategy to systematically reallocate in any market environment, thus offering our clients the benefit of broad-based index investing with calculated risk management. This allows us to hedge our clients' positions in securities, exchange traded and mutual funds and, in some instances, limited partnerships. We utilize a sub-adviser, LOG E to provide our firm with these option overlay strategies.



Utilizing Tax Alpha

Another strategy that we employ is tax loss harvesting which is the one predictable and reliable source of “alpha” in portfolio management. We pursue this strategy aggressively and systematically and it is best executed in a portfolio employing an indexed approach to asset class exposure, where fungible replacement instruments are available to limit tracking error. We find that the rapid growth in the exchange traded funds (ETFs) market has provided us with a deep taxonomy of ETFs available as swap candidates when a tax loss harvesting opportunity presents itself.

An explanation and example of utilizing tax-loss harvesting is described below:

Tax Alpha is the increase, in percentage terms, of the size of a portfolio by not having to pay capital gain tax. Exactly how it is calculated might not be very important. What is important is the definition, meaning how do we increase the portfolio by selling lost position securities to avoid paying capital gain tax in other positions.

For example, the following portfolio consists of:

- 1) \$9000 security A (purchased at \$10000)
- 2) \$5000 security B (purchased at \$4000)
- 3) \$1000 cash

Now, the portfolio total value is $\$1000 + \$5000 + \$9000 = \15000

Assume it is planned to sell security B, because we know it is overvalued, so to realize the gain. As a result, we have to pay $\$1000 * 15\% = \150 capital gain tax.

The final portfolio will be:

- 1) \$9000 security A (purchased at \$10000)
- 2) $\$1000 + \$5000 - \$150 = \5850 cash

If we know that security A is actually having a grim future. We might want to sell security A also. This will generate a loss of \$1000. But this can be used to offset the gain from security B, and so a client does not have to pay capital gain tax. That means the portfolio has \$150 higher in value. This is the tax alpha.



The portfolio will be:

$\$1000 + \$9000 + \$5000 = \15000 cash, which is \$150 higher where security A not sold.

Securities Lending and Total Return

Our clients are the exclusive beneficiaries of any securities lending agreements. We will not assess an additional percentage charge on top of our normal management fee. We only benefit insofar as we can charge our normal fee on the cash that is generated via lending. Our clients benefit, every client with ETFs that authorizes us to lend their securities will receive any of the lending revenue generated. When actual securities are lent, our brokerage will have the capability to allocate the resulting interest across multiple accounts on a prorated basis.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Fort Point cannot assure clients that:

- it can achieve clients' investment objectives;
- its investment strategies will prove successful; or
- clients will not lose all or part of their investment.

The following discussion describes some of the principal risks relevant to clients of Fort Point.

General Securities Investment Risks

Clients may invest in securities, including ETFs and options. Markets for securities in general are subject to fluctuations and the market value of any particular investment may vary substantially. No assurance can be given that the client's portfolio will generate any income or will appreciate in value or that the client will be able to realize any appreciation that may occur.

Change in Sentiment

Changes in investor sentiment on the market, an industry or sector, or an individual stock can have pronounced effects on securities prices. Rapid changes in investor sentiment cannot be predicted and can be severe.

Economic Conditions

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, trade relationships, political and diplomatic events and trends, developments in governmental regulation, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of a client's portfolio.



Options Trading

With any investment there are material risks involved when utilizing option overlay strategies and these strategies may not achieve the stated goals and the client risks the loss of his/her investment and the client should be prepared to bear such losses. The trading of options and other derivatives is highly speculative and may entail risks that are greater than those present when investing in other securities.

Clients may buy or sell (write) both call options and put options, and when they write options, they may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. Clients’ option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the client has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions a client may enter into, the principal risks involved in options trading can be described as follows: When a client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of their investment in the option (including commissions). A client could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities underlying put options.

When a client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, the client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the client might suffer as a result of owning the security.

If prospective clients do not understand options, we strongly encourage them to read *CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS*. The document may be obtained by



contacting us directly or may be obtained by going to the following link:
<http://www.optionsclearing.com/about/publications/character-risks.jsp>.

Exchange Traded Funds.

Due to fees, expenses, and availability of shares of the underlying portfolio securities of the particular benchmark, the performance of a particular ETF may not equal or track the performance of the underlying benchmark. A decline in the value of the benchmark will result in a decline in the value of the ETF. In addition, leverage employed by an index aggregate fund will multiply the losses of an index. Some ETFs are subject to the additional risks generally presented by derivatives use, an enhanced risk of an imperfect correlation between the market value of securities in an index and the prices of futures and other derivatives purchased in lieu of the securities of an index, and other risks.

Leverage

Leveraging strategies can increase risk of loss and volatility. In addition, margin trading requires the pledge of assets of the client as collateral, and margin calls can result in the client being required to pledge additional collateral or in liquidation of the client's holdings, which can result in selling, closing or covering portfolio positions at substantial losses that would not otherwise be realized.

Securities Lending

A client may lend securities to broker-dealers and other institutions. Securities loaned out may not be protected by the Securities Investor Protection Corporation ("SIPC") and the collateral delivered by the broker dealer may constitute the only source of satisfaction of the broker's obligation if the broker fails to return the securities. Securities loaned out are typically used to facilitate short sales and the activity of the short sellers potentially could affect the long-term value of a client's holdings. The client continues to own the loaned shares and have general market risks on those shares. Loan rates are subject to frequent change and fluctuate significantly and there is no guarantee that a client will receive the best loan rate for the loaned shares. Additionally, if an offer to loan shares is only partially accepted by a counterparty, the transaction costs may be greater than the proceeds, resulting in a loss to the client. A client may suffer potential adverse tax consequences from receiving cash payments in lieu of dividends on loaned shares. A client generally will not receive a separate interest payment from the broker on the cash collateral that is credited to the client's account when the client lends shares to the broker. Additionally, the borrower of the securities has the right to vote, or to provide any consent or to take any similar action with respect to the loaned securities if the record date or deadline for such vote, or consent or other action falls during the term of the loan.



Technology Effects on Volatility

The rapid advent of technology in trading and exchanges may have made securities more volatile and periodically subject to wild swings with limited liquidity.

Market Disruptions

The global financial markets have in the past few years gone through pervasive and fundamental disruptions. A client may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions may from time to time cause dramatic losses for a client account, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Past Performance Not Necessarily Indicative of Future Results

The past performance of the Fort Point or any subadvisor engaged by Fort Point on behalf of a client is not necessarily indicative of how they will perform in the future. While generally mitigated through thoughtful and detailed due diligence, some alternative investment strategies may be subject to the possibility of incurring sudden and dramatic losses despite years of positive past performance.

Potential Inadequacy of Due Diligence Information

Fort Point is generally reliant on the information and disclosures furnished to it by the subadvisors it selects, which may subject a client to fraudulent misrepresentation and other similar risks of entrusting capital to unaffiliated parties. Generally, Fort Point seeks to avoid such risks by enforcing prudent due diligence and third-party verification wherever possible but may prove unable to obtain accurate information from a subadvisor under circumstances in which the subadvisor has limited access to such information or provides inaccurate information.

Reliance on Subadvisors

Fort Point may invest all or a substantial portion of client accounts with a subadvisor. Concentration of an investment in a particular subadvisor materially increases the risk to the client that the subadvisor will lose key personnel, be engaged in fraud or fail to achieve the investment objective. Further, some subadvisors may consist of only one or a limited number of principals. If any such person died or became incapacitated, a client that invests its assets with such a subadvisor might sustain substantial losses.



Other Accounts Advised by Subadvisors

The subadvisors selected by Fort Point may manage other funds and/or accounts (including other accounts in which such subadvisors may have an interest) which, together with funds and/or accounts already being managed, could increase the level of competition for the same trades a client might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security or futures contract at a price indicated by a subadvisor's strategy.

Risks Associated with Investments in Private Investment Programs

Fort Point may invest client assets in limited partnerships, private investment programs, and other private placements (including through third parties). Such investments may be subject to a variety of risks, including, but not limited to, lack of operating history, reliance on key personnel of the investment program or limited partnership, absence of regulatory oversight, limited withdrawal rights, substantial fees and expenses, illiquidity of interests, and potential mandatory withdrawal. Fort Point strongly encourages clients to carefully consider the risk disclosures contained in the offering and program documents, which clients sign and agree to before any investments in such private investment programs are made.

Item 9 – Disciplinary Information

Neither Fort Point nor any of Fort Point's management persons has had any legal or disciplinary events that would be material to a client's evaluation of Fort Point or the integrity of Fort Point's management.

Item 10 – Other Financial Industry Activities and Affiliations

Mr. Drybrough and Mr. Wycoff are principal owners of Cypress Point Solutions, LLC, an investment adviser affiliated with Fort Point. Cypress Point Solutions may, at times, provide subadvisory management services to Fort Point's clients. The fees charged by Fort Point are separate from those fees charged by Cypress Point Solutions, or any other subadvisor or any limited partnerships or private investment programs with which client assets may be invested. Mr. Drybrough and Mr. Wycoff also co-founded and have an ownership interest in LOGe Solutions, LLC. Fort Point does not receive any advisory or referral fees from LOGe. Mr. Drybrough and Mr. Wycoff's ownership interests in these firms may give Fort Point an incentive to recommend these firms' investment advisory services and products and presents a potential conflict of interest. Notwithstanding this potential conflict of interest, Fort Point will only recommend a subadvisor or product of a subadvisor when it believes the investment to be in



the best interest of a client, considering the client's objectives, risk tolerance, limitations and capital available for investment.

Item 11 – Code of Ethics

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

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, Fort Point will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Fort Point and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Fort Point's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Fort Point will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. Employees are required to report personal securities holdings annually and securities transactions quarterly.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Fort Point'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. Fort Point 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 as specified in the initial



trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Our clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Fort Point using the contact information on the cover page of this Brochure.

Item 12 – Brokerage Practices

Unless a client specifies otherwise, we maintain complete discretion to select the brokers or dealers through which securities are to be traded and to negotiate the commission rates at which brokerage transactions are effected. We acknowledge our obligation to seek the best order execution reasonable within the circumstances of a trade. However, we do not obligate ourselves to obtain the lowest commission or best net price for an account on any particular transaction.

In addition, if a client directs Fort Point to use a specific broker, Fort Point has not negotiated the terms and conditions of the broker's service (including, but not limited to, commission rates); in this case, Fort Point does not have responsibility for obtaining the best prices or particular commission rates with or through any such broker, and the client may not obtain rates as low as it might if Fort Point had discretion to select other broker-dealers.

In selecting a broker for any transaction or series of transactions, we may consider a number of factors, including, for example, past success in obtaining net prices on transactions, custody services, online access to client account data, reputation, financial strength and stability, efficiency of execution and error resolution, inventory and depth of investment products, the ability of securities to borrow for short sales, order routing capabilities, and willingness to execute related or unrelated difficult transactions in the future. Additionally, we may consider other products and services offered by our brokers that may help us in administering and managing client accounts.

Fort Point participates in institutional advisor programs offered by one or more of the brokerage firms that it selects and recommends to clients, including a program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. These brokerage firms, including TD Ameritrade, provide services to independent advisers that include custody of securities, trade execution, clearance and settlement of transactions. Fort Point also receives some benefits from the brokerage firms



through its participation in the institutional advisor programs. Fort Point may recommend brokerage firms, including TD Ameritrade, to clients for custody and brokerage services.

There is no direct link between Fort Point's participation in such institutional advisor programs and the investment advice Fort Point gives to our clients, although we receive economic benefits through our participation in such programs that are typically not available to retail investors. These benefits may 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 such program 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 us by third party vendors.

Some of the products and services made available by brokerage firms through such programs may benefit Fort Point but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts. Other services made available by such brokerage firms are intended to help us manage and further develop its business enterprise. The benefits received by Fort Point or our personnel through participation in such programs do not depend on the amount of brokerage transactions directed to any particular brokerage firm. As part of our fiduciary duties to clients, Fort Point endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Fort Point or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the our choice of brokerage firm for custody and brokerage services.

The brokers selected by us generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed by the broker or settle into custodial accounts.



Principal and Cross Transactions

It is policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Fort Point will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 13 – Review of Accounts

Periodic Client Account Reviews and Meetings

Fort Point will perform client account reviews on at least a quarterly basis, or more frequently as a result of a dramatic change in economic or market conditions or changes in a client's personal or financial circumstances. Results of these reviews are typically documented. Reviews are conducted by an investment adviser representative under the supervision of Mr. Drybrough.

On at least an annual basis, Fort Point schedules a face-to-face meeting with each of its clients. At that time, the client is asked to update changes in its risk profile, balance sheet, income statement, tax situation, and any investment objectives. Fort Point reviews with the client the performance of the client's account, including subadvisor performance, and discusses any changes to client restrictions or portfolio rebalancing. All such portfolio reviews are documented in the client's file. If a client cannot or will not meet with the Fort Point, or cannot be reached, all such attempts are documented and recorded to the client's file.

Client Reports

Fort Point provides clients with written quarterly performance reports showing consolidated performance for sub-advised accounts as well as investments in limited partnerships and other private investment programs.



Item 14 – Client Referrals and Other Compensation

Fort Point may employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by these solicitors. Such solicitation arrangements will be made in compliance with Rule 206(4)-3 of the Investment Advisers Act, including the acknowledgement of receipt by solicited clients of Fort Point’s ADV Part 2 and the solicitor’s written disclosure document.

As discussed above in Item 12, brokers may make available to us other products and services that may benefit us but may not directly benefit our clients’ accounts. Many of these products and services may be used to service all or a substantial number of our clients’ accounts.

We also receive from TD Ameritrade an additional economic benefit (“Additional Services”) that includes access to Black Diamond, a portfolio monitoring and performance tracking system that we use for a substantial number of our client portfolios. The Additional Services may or may not be offered to any other independent advisers participating in TD Ameritrade’s institutional advisor program. TD Ameritrade provides the Additional Services to Fort Point in its sole discretion and at its own expense, and Fort Point does not pay any fees to the brokerage firm for the additional service. Fort Point and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services. TD Ameritrade has the right to discontinue providing the additional service, in its sole discretion, provided certain conditions are met. The receipt of this additional economic benefit may pose a potential conflict of interest. TD Ameritrade considers the amount of and profitability to itself from our clients’ accounts when determining whether to provide the portfolio monitoring system. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Fort Point may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our receipt of this additional economic benefit does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. Clients with investments in pooled investment vehicles receive annual audited financial statements from those vehicles. We urge clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may



vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Client assets are generally held at TD Ameritrade, Inc. and/or Interactive Brokers LLC. Clients generally will have on-line access to their accounts at the custodians. This allows clients to view statements and move money, among other functionalities, at the clients' convenience.

Item 16 – Investment Discretion

Our Clients execute investment advisory agreements with Fort Point, which give Fort Point complete discretion over the selection and amount of securities to be bought or sold, without obtaining prior specific client consent (except as noted in the above in Item 1 regarding non-managed assets). Because Fort Point manages more than one account, there may be conflicting demands on Fort Point's time and potential conflicts regarding the allocation of investment opportunities. Fort Point will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients.

However, Fort Point may take action with respect to any of its clients which differs in timing or nature from the action taken with respect to another client. Advice offered to one client may differ from that offered to another.

It is Fort Point's policy, to the extent practical, to allocate investment opportunities over a period of time on a fair and equitable basis among its clients.

However, we assert absolute discretion to determine whether an investment is practical or desirable for any particular client. Fort Point may acquire securities for one client that are not deemed appropriate for another. Fort Point takes into account clients' investment objectives when making investment decisions.

Item 17 – Voting Client Securities

The exercise of proxy voting authority in respect to client securities is the responsibility of our clients. As part of their agreements with custodians, clients will direct custodians to send all necessary proxy voting materials and notices directly to the clients from the custodians holding such securities. Fort Point believes that clients, after reviewing such proxy materials, can then decide and vote issues in their own best interest.



In the case of those clients who have assets which are being managed by subadvisors, those subadvisers will possess their own separate proxy voting policies and procedures, which are the responsibility of the subadvisor to follow. Clients who invest in limited partnerships or private placements, which are subject to proxy voting provisions within the agreements, will be responsible for deciding whether and how to vote such proxies.

Item 18 – Financial Information

Fort Point has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Additionally, Fort Point has not been the subject of a bankruptcy petition.