



## Part 2A Appendix 1 of Form ADV

Wrap Fee Program Brochure

August 17, 2016

Separate Account Exchange

### Noyes Advisors, LLC

209 S. LaSalle Street, 12th Floor

Chicago, IL 60604

(312) 782-0400

[danoyes.com](http://danoyes.com)

This wrap fee program brochure provides information about the qualifications and business practices of Noyes Advisors LLC ("Noyes"). If you have any questions about the contents of this Brochure, please contact us at (312) 782-0400.

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.

Additional information about Noyes Advisors, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Please note that the use of the term "registered investment advisor" and description of Noyes Advisors, LLC and/or our associates as "registered" does not imply a certain level of skill or training.

The Wrap Fee Program Brochure may be requested by contacting your Noyes Advisor or the Noyes Advisors' home office at (312) 782-0400. This wrap brochure is also available at [danoyes.com/advisor](http://danoyes.com/advisor).

## ITEM 2. MATERIAL CHANGES TO PART 2A APPENDIX 1

Provided below is a summary of material changes to the prior version of the Brochure.

None. No prior versions.

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### Interpretive Note:

In reviewing this document, please note that the use of “us” or “we” refers to Noyes Advisors, LLC. Please note that the use of “Noyes” refers to Noyes Advisors, LLC. The use of “you” refers to you, the individual client who is considering enrolling in the wrap fee program described herein.

If any term or language employed in this document is unfamiliar or confusing, please contact your Noyes advisor or the Noyes’ Compliance Department at (312) 782-0400.

## ITEM 4 - SERVICES, FEES & COMPENSATION

As part of our asset management service, Noyes has entered into an agreement with TD Ameritrade Institutional to offer the TD Ameritrade Separate Account Exchange to Noyes clients. The TD Ameritrade Separate Account Exchange allows an external portfolio manager to create a portfolio for you consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. Your individual investment strategy is tailored to your specific needs and may include some or all of the above securities. Your portfolio will be designed to meet a particular investment goal which Noyes will design after consultation with you to understand your investing needs and circumstances. Once the appropriate portfolio has been determined, we will review the portfolio at least quarterly. If and when necessary, we will rebalance the portfolio based upon your investing needs, goals, and objectives. You have the opportunity to place reasonable restrictions on the types of investments we will hold in your portfolio.

### **A. Schedule of Fees**

The fees for the TD Ameritrade Separate Account Exchange wrap fee program are based on assets in the program, according to the following schedule:

Assets Under Management

Wrap Fee Equity Portfolio Management – Fee Schedule

Annual Advisory Fee

Fees for advisory services are calculated as a percentage of the total market value of the managed assets. The annualized investment advisory fee schedule is provided in the client’s Investment Advisory Contract. The annualized investment advisory fee changes at the following levels of total portfolio assets committed to Noyes Advisors:

- \$0.01 to \$250,000.00
- \$25,000.01 to \$500,000.00
- \$500,000.00 to \$1,000,000.00
- Over \$1,000,000.01

The maximum fee charged for your TD Ameritrade Separate Account Exchange assets will never exceed 2.75% of your total TD Ameritrade Separate Account Exchange assets. As the fees charged to clients are determined by each client’s needs and circumstances, fees charged to seemingly similarly situated clients may differ between Noyes investment advisor representatives.

Noyes Advisors may modify the advisory service fee at any time upon five (5) days’ prior written notice to the client.

In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

Noyes Advisors generally requires a minimum household portfolio value of Fifty Thousand Dollars (\$50,000.00) and a minimum quarterly advisory service fee of Two Hundred Fifty Dollars (\$250,000). The fees of Noyes Advisors are generally negotiable. Noyes' fees are billed on a pro-rata annualized basis quarterly or monthly, in advance, based on the value of your account on the last day of the previous quarter.

Fees will generally be automatically deducted from your managed account. As part of this billing process, you understand and acknowledge the following:

4-A-1. Noyes clients must provide us with written authorization permitting direct payment to us of our advisory fees from their account(s) maintained by a custodian who is independent of Noyes;

4-A-2. Noyes must send a statement to our clients showing the amount of our fee, the value of your assets upon which our fee was based, and the specific manner in which our fee was calculated;

4-A-3. Noyes must disclose to you that it is your responsibility to verify the accuracy of our fee calculation, and that the custodian will not determine whether the fee is properly calculated; and

4-A-4. Your account custodian must agree to send you a statement, at least quarterly, showing all disbursements from your account, including advisory fees.

## **B. Wrap-Fee Considerations**

Clients should understand that a wrap fee program may cost more or less than purchasing the provided services separately.

A wrap fee program allows Noyes clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice concerning selection of other advisors. The fee charged to you is not based directly upon transactions in your account. Your fee is bundled with Noyes costs for executing transactions in your account(s). This bundling of costs results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we may be charged for excessive executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

## **C. Additional Fees**

You may pay charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by Noyes.

## **D. Compensation Paid to Other Parties**

Noyes receives compensation by your participation in the wrap fee program. The compensation received by Noyes and its investment advisor representatives may be more than what Noyes and its investment advisor representatives would receive if you participated in another wrap fee program or paid separately for investment advice, brokerage and other services. Noyes and its investment advisor representatives may have a financial incentive to recommend the wrap fee program over other programs or services.

Noyes investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee, or as their salary from Noyes. Where Noyes investment advisory representatives are paid a percentage of your overall advisory fee, this compensation may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This potential inclination to recommend a wrap fee program is created because, in some cases, Noyes and its investment advisory representatives may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

## **ITEM 5 - ACCOUNT REQUIREMENTS & TYPES OF CLIENTS**

Noyes has established the following requirement(s) to open or maintain an account:

- Minimum total account size of \$50,000.

The types of clients for whom we will typically accept a relationship to manage wrap fee accounts include:

- Individuals;
- Non-Profit organizations and endowments;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION & EVALUATION**

**A.** Noyes engages in a rigorous evaluation of all persons selected to be portfolio managers for the TD Ameritrade Separate Account Exchange.

**B.** Noyes, its investment advisor representatives and its related persons may all act as portfolio manager(s) for the TD Ameritrade Separate Account Exchange. This close familiarity between Noyes and the portfolio managers may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than Noyes for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program.

**C.** Noyes and its supervised persons act as portfolio manager(s) for the TD Ameritrade Separate Account Exchange, and this relationship requires the following four disclosures.

### **6-C-1. Advisory Business:**

Noyes may offer other wrap fee programs for which separate brochures may be available. Please ask your investment advisor representative to discuss all Noyes wrap fee programs to ensure you select the program that most fully meets your needs. Noyes offers individualized investment advice to our clients. Noyes usually does not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty such individual strategies would entail in managing a client's account. Noyes only offers wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Noyes does not manage non-wrap fee accounts.

### **6-C-2. Performance-based fees and side-by-side management.**

Noyes does not charge performance fees to our clients.

### **6-C-3. Methods of analysis, investment strategies and risk of loss.**

#### **Methods of Analysis:**

**Charting.** In this type of technical analysis, Noyes reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend might last and when that trend might reverse.

**Fundamental Analysis.** Noyes attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. Fundamental analysis bears inherent market-price risk, as the price of a security can move up or down along with the overall market despite the economic and financial considerations used to evaluate the stock.

**Technical Analysis.** Noyes analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. Technical analysis presents price risk, because a poorly managed or financially unsound company may underperform, despite overall market improvement.

**Cyclical Analysis.** In this type of technical analysis, Noyes measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Investment Strategies:** Noyes may employ any, or a combination, of the below Investment Strategies:

**Long-term purchases.** Noyes may purchase securities with the intent of holding the positions for a relatively long time, typically, at least a year. Long-term purchase strategy have risk because by holding the security for a significant period, Noyes may not be able to take advantage of short-term gains that could be profitable to a client. Additionally, if Noyes' expectations prove incorrect, a security may decline sharply in value before Noyes sells the position.

Short-term purchases. Noyes may purchase securities with the intent of holding the positions for a relatively short time, typically, less than a year. Noyes may adopt such a strategy to take advantage of conditions that we believe may result in a near-term price movement.

Margin transactions. Noyes may purchase stocks for your portfolio with money borrowed from your brokerage account. Such borrowing power allows you to purchase more stock than you would be able to with your available cash and allows Noyes to purchase stock without selling other holdings.

Option writing. Noyes may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a share of stock at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase, and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

#### **6-C-4. Voting client securities.**

Noyes does not and will not accept proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to Noyes, we will forward them to the client and ask the mailing party to send all future proxies directly to the client. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Third-party money managers selected or recommended by Noyes may vote proxies for clients. Except in the event that a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to the client's investment assets. Except for proxies that may be voted by a third party money manager, Noyes and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your securities.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER(S)**

Noyes communicates with your portfolio manager(s) regularly and as needed to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In order to create a clear understanding of your investment goals and objectives, it may be necessary to share substantial amounts of your client information with your portfolio manager(s). In most cases, Noyes will communicate such information as part of our regular investment management duties. Noyes will also communicate information to your portfolio manager(s) when you ask us to or when market or economic conditions make it prudent to do so.

## ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGER(S)

Noyes clients may not directly contact their portfolio manager(s) with questions or concerns. All communications with portfolio managers must be directed through Noyes Advisors.

## ITEM 9 - ADDITIONAL INFORMATION

**9-A-1.** Noyes and its management have no disciplinary information to disclose.

**9-A-2.** Noyes investment advisor representatives are also registered representatives of David A. Noyes & Company (“D.A. Noyes”), a registered broker-dealer and Member FINRA/SIPC. Investment advisor representatives may offer annuities products, variable life products, and manage 401k Plans. Such participation in other lines of business creates an inherent conflict of interest to the extent that our investment advisor representatives may, on occasion, recommend that a client purchase a product that imposes a commission on the client. Clients are under no obligation to purchase any products that bear a commission from our advisor representatives.

Noyes investment advisor representatives are also licensed insurance agents through various insurance companies. In their capacity as insurance agents, our advisor representatives may offer insurance products and receive normal and customary insurance commissions. Advisor representative sales of insurance products creates an inherent conflict of interest to the extent that our advisor representatives may recommend the purchase of an insurance product which results in earning an insurance agent’s commission.

### **9-B-1. Code of ethics, participation or interest in client transactions and personal trading.**

Noyes holds that the personal investment transactions of our personnel demand the application of a high Code of Ethics and require that all client transactions be conducted so as not to endanger the interests of any client. Noyes and its personnel are required to conduct business in an honest, ethical, and fair manner and to avoid all circumstances that might impair or appear to impair Noyes fiduciary duty to its clients.

To prevent conflicts of interest, Noyes has enacted procedures concerning transactions effected in the personal accounts of Noyes employees. In order to ensure compliance with our personal trading policy, Noyes regularly monitors the transactions of all its employees. Noyes also notes that when the investment goals of Noyes’ personnel and clients are similar, some securities will be owned by both Noyes’ personnel and clients.

Noyes has established a Code of Ethics which applies to all of our associated persons. As an investment advisor, Noyes is a fiduciary. As a fiduciary, Noyes has a responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of each client at all times. Noyes’ fiduciary duty to all our clients forms the foundation for our Code of Ethics. Noyes’ Code of Ethics also addresses insider trading and the policies and procedures bearing upon our advisor representatives’ personal securities transactions.

Noyes requires all of its personnel to conduct business consistent with the highest level of ethical standards and to comply with all governing laws and rules. Upon employment or affiliation, and at least annually thereafter, all Noyes personnel acknowledge that they have read, understand,



and agree to comply with the Noyes Code of Ethics. This disclosure is merely a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

### **9-B-2. Review of accounts.**

9-B-2(a). Noyes conducts a review of all client accounts at least annually. Noyes reviews client accounts to learn whether the holdings are consistent with the client's investment objectives and are appropriately positioned based on market conditions and investment policies. Noyes' Compliance Department conducts all compliance and regulatory reviews.

9-B-2(b). Noyes may review client accounts more frequently than described above. Noyes may consider a more frequent review given major market or economic events, the client's life events, requests by the client, and other events that Noyes may select.

9-B-2(c). Noyes does not provide written reports to clients unless asked to do so. Verbal client reports occur no less frequently than annually during a required conversation between an advisor and a client.

### **9-B-3. Client referrals and other compensation.**

#### 9-B-3(a).TD Ameritrade:

Noyes participates in the TD Ameritrade Separate Account Exchange 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. TD Ameritrade offers services which include custody of securities, trade execution, clearance and settlement of transactions. Noyes receives some benefits from TD Ameritrade through its participation in the Program.

As Noyes participates in TD Ameritrade's institutional customer program, we may recommend TD Ameritrade's services to clients for custody and brokerage services. There is no direct link between Noyes' participation in the program and the investment advice Noyes provides our clients, although Noyes receives economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services which are 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 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 Noyes by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Noyes personnel. Some of the products and services made available by TD Ameritrade through the program may benefit Noyes but may not benefit its client accounts. These products or services may assist Noyes in managing and administering client accounts, including accounts not

maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Noyes manage and further develop its business enterprise. The benefits received by Noyes or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware that the receipt of economic benefits by Noyes or Noyes personnel creates an inherent potential conflict of interest and may indirectly influence Noyes' choice of TD Ameritrade for custody and brokerage services.

9-B-3(b). Referral fees

California Disclosure: Pursuant to California law and regulations, Noyes does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of California clients to Noyes.

Excepting California, Noyes personnel may directly or indirectly compensate persons who are not our employees for client referrals.

**9-B-4. Financial information**

9-B-4(a). As Noyes does not require, nor do we solicit, prepayment of more than \$500 in fees per client, six months or more in advance, we have not included a balance sheet for our most recent fiscal year.

9-B-4(b). Noyes is not a state-registered advisor and does not have discretionary authority or custody of client funds or securities, nor does Noyes require or solicit prepayment of more than \$500 in fees per client six months or more in advance. Noyes therefore is not required to disclose any financial condition that is reasonably likely to impair Noyes' ability to meet contractual commitments to clients.

9-B-4(c). Noyes has not been the subject of a bankruptcy petition at any time during the past ten years.

