



WINTHROP PARTNERS – WNY LLC

and its affiliated firms:

Winthrop Partners – EPA LLC

Winthrop Partners – WPA LLC

847 Washington Street, Suite 118 | Buffalo, NY 14203
(716) 566-6540 |

July 3, 2017

This Brochure provides information about the qualifications and business practices of Winthrop Partners – WNY LLC and its relying advisers, Winthrop Partners – EPA LLC and Winthrop Partners – WPA, LLC. If you have any questions about the contents of this Brochure, please contact us at 716-566-6540 or deborah.stauring@winthropfinancialwny.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. Additional information about Winthrop also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

We are required to report material changes to the Form ADV to clients. Material changes include:

- 1) The firm was formerly a related advisor to Winthrop Financial, Inc. Winthrop Partners – WNY LLC has acquired the assets of Winthrop Financial Inc. Winthrop Partners – EPA LLC and Winthrop Partners – WPA LLC are now related advisers of Winthrop Partners – WNY LLC.



ITEM 3. TABLE OF CONTENTS

Item 1. Cover Page.....	1
Item 2. Material Changes	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation	5
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
Item 9. Disciplinary Information	13
Item 10. Other Financial Industry Activities and Affiliations.....	13
Item 11. Code of Ethics	14
Item 12. Brokerage Practices.....	15
Item 13. Review of Accounts	18
Item 14. Client Referrals and Other Compensation	18
Item 15. Custody.....	19
Item 16. Investment Discretion.....	19
Item 17. Voting Client Securities	19
Item 18. Financial Information.....	19

ITEM 4. ADVISORY BUSINESS

Winthrop Partners – WNY LLC and its relying advisers Winthrop Partners – EPA LLC and Winthrop Partners – WPA LLC (collectively, “Winthrop”) provide investment advisory services to clients, including financial planning and asset management. The firm’s principals are Thomas Saunders, Brian Werner and Ryan Carey.

Winthrop serves its clients by providing a holistic approach to their financial well-being. The firm’s approach includes a discovery process to determine the client needs and wants from his/her financial assets. The firm works with clients to develop a financial plan and establish goals, which may include interfacing with clients’ estate, insurance, and tax professionals. Once a financial plan has been established, Winthrop oversees the management of those assets, maintaining communication with clients throughout the process.

As of June 30, 2017, Winthrop had approximately \$165 Million under management.

Prior to engaging Winthrop to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Winthrop setting forth the terms and conditions under which Winthrop renders its services (collectively the “*Agreement*”).

This Disclosure Brochure describes the business of Winthrop. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Winthrop’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Winthrop’s behalf and is subject to Winthrop’s supervision or control.

Financial Planning and Consulting Services

Winthrop may provide its clients with a broad range of comprehensive financial planning and consulting services, which includes cash flow analysis and asset allocation projections related to goals such as retirement income needs, college funding, retirement travel, savings, and survivor needs. These services are generally offered to all ongoing investment management clients

In performing its services, Winthrop is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Winthrop may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Winthrop recommends its own services. The client is under no obligation to act upon any of the recommendations made by Winthrop under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Winthrop itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Winthrop’s recommendations. Clients are advised that it remains their responsibility to promptly notify Winthrop if there is ever any change in their financial

situation or investment objectives for the purpose of reviewing, evaluating, or revising Winthrop's previous recommendations and/or services.

Investment Management Services

Clients can engage Winthrop to manage all or a portion of their assets on a discretionary or non-discretionary basis. The firm primarily allocates clients' investment management assets among individual debt and equity securities for larger accounts and mutual funds for smaller accounts (as further described in Item 8 below). Winthrop may provide advice about any type of investment held in clients' existing portfolios.

Winthrop also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, Winthrop either recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Winthrop tailors its advisory services to the individual needs of clients. Winthrop consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Winthrop ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Winthrop if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Winthrop's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in Winthrop's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Subscription Service

Winthrop's subscription service provides clients with financial planning and advice, including goal planning, education planning for children, budget and debt management and life insurance planning. In providing financial planning and advice, Winthrop will also explore the client's personal values and review housing options, insurance policies, family involvement, emergency planning, long term care planning and distribution planning. Where appropriate, the firm will recommend reallocation of the client's assets. The subscription service may not be available at all Winthrop locations.

ITEM 5. FEES AND COMPENSATION

Winthrop offers its services on a fee only basis, as further described below. Additionally, certain of Winthrop's *Supervised Persons*, in their individual capacities, may offer insurance products under a commission arrangement.

Investment Management Fee

Winthrop provides investment management services for an annual fee based upon percentage of the market value of the assets being managed by Winthrop. Winthrop's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Winthrop does not, however, receive any portion of these commissions, fees, and costs. The firm's management fee may also include financial planning services (as described below).

Winthrop's annual fee for asset management as well as held away asset consulting varies according to the type of investment management services the firm is providing. Generally, the firm's annual fee is charged monthly, in advance, based upon the market value of the assets managed by Winthrop on the last day of the previous month. The firm's fee may be negotiated but is typically 1% of assets under management. A flat fee may also be charged in certain circumstances.

Subscription Services Fee

The annual fee for the first year is \$1,200 for up to 20 hours of development, planning and discussion. Each subsequent year thereafter, the annual fee will be \$500 for up to 5 hours of review and changes to plan. Hours over five will be billed at \$150/hour.

The fee is prorated and billed on a monthly basis. Invoices are sent monthly and due within 10 days of receipt. As an alternative, you may elect to have the fee debited from your checking account automatically.

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Winthrop generally recommends that clients utilize the brokerage and clearing services of Raymond James Financial Services, Inc. ("*Raymond James*") for investment management accounts. The firm recommends *Raymond James* for custody of customer assets and execution of customer transactions. Raymond James Associates ("*RJA*"), a corporate affiliate of *Raymond James* and member of the New York Stock Exchange and the Securities Investor Protection Corporation, acts as the clearing agent in the execution of securities transactions placed through *Raymond James*.

Winthrop may only implement its investment management recommendations after the client has arranged for and furnished Winthrop with all information and authorization regarding accounts

with appropriate financial institutions. Financial institutions include, but are not limited to, *Raymond James*, any other broker-dealer recommended by Winthrop, broker-dealer directed by the client, trust companies, banks etc. (Collectively referred to herein as the “*Financial Institutions*”).

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Winthrop’s fee.

Winthrop’s *Agreement* and the separate agreement with any *Financial Institution* may authorize the *Financial Institution* to debit the client’s account for the amount of Winthrop’s fee and to directly remit that management fee to Winthrop. Any *Financial Institution* has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Winthrop. Alternatively, clients may elect to have Winthrop send an invoice for payment.

Fees for Management During Partial Months of Service

All fees are calculated on a full month basis. If assets are deposited into or withdrawn from an account after the inception of a month, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the month.

The *Agreement* between Winthrop and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Winthrop’s fees are prorated through the effective date of the client’s written notice of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Winthrop’s right to terminate an account. Additions may be in cash or securities provided that Winthrop reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. Clients may withdraw account assets on notice to Winthrop, subject to the usual and customary securities settlement procedures. However, Winthrop designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. Winthrop may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Winthrop does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

ITEM 7. TYPES OF CLIENTS

Winthrop provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. There is no minimum fee or minimum account size.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Individual Stocks: Winthrop's philosophy emphasizes a fundamental, bottom-up investment approach whereby securities are screened for specific criteria using evaluation techniques centering around companies that have the following criteria: a uniqueness or niche which gives the company a strong market position and the ability to adjust prices; recurring revenue (such as firms dealing with non-durable consumer goods); historical growth rates faster than the economy that show a record of consistent earnings, sales, and dividend growth; low debt levels that allow management the flexibility to expand their business; significant share ownership by management; relative price to earnings; and/or cash flow.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Winthrop will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Mutual Funds and ETFs: Winthrop uses Exchange Traded Funds (ETFs) and mutual funds in two ways 1) to construct entire portfolios and 2) to complement our individual security selection process by providing access to additional asset classes. This process allows the firm to provide the best advice possible without limitations on choices of investment options for our clients, ensuring the advisor is completely objective in selection, by improving asset allocation and diversification, offering access to low cost and higher performing funds and reducing risk by not concentrating their investments in a single fund family or a proprietary approach.

When selecting funds, Winthrop uses quantitative and qualitative screening tools. Quantitative screens include filters for manager tenure, fund size, risk (as measured by standard deviation), exposure to certain securities, sectors and asset classes, and historical performance. Qualitative screens filter for style consistency, clean regulatory records of fund managers and fund families.

Winthrop uses both passive and actively managed funds. Passively managed indexed funds are primarily used because they offer broad diversification at a low cost, actively managed funds are used when a manager can demonstrate a better alternative for our client than the use of indexed funds.

Winthrop utilizes ETFs and mutual funds to access asset classes such as small, mid and large cap US stocks, sectors, international stocks, core bonds, high yield bonds, commodities, and alternative asset classes. When used in conjunction with our individual security selection process these vehicles are used to efficiently obtain access to and diversification in international securities, core bonds, high yield bonds, commodities, and alternative securities.

Investment Strategies

Financial / Goal Planning

- *Function:* The firm's financial planning is designed to establish a basis for its investment program and make clients aware of issues to consider when planning their future.
- *Structure:* Financial planning begins with an interview with new clients to prioritize goals, establish an appropriate asset allocation, present alternate projections to work towards goals, and collect pertinent financial data. Depending on the client, this information may be obtained over a series of meeting with the client as the portfolio is developed. Winthrop offers clients an annual review of their financial plan to realign goals and determine if portfolio reallocation is appropriate.
- *Other Advisors:* Winthrop will work with the client's other advisors for tax questions and estate planning issues in order to get to know the other advisors and to understand client's situation.

Portfolio Management

Winthrop tailors portfolios to meet each client's needs through individual stock and bond selection, and ETFs and mutual funds, allocated appropriately for growth and cash flow requirements. This entails a simplified portfolio structure that seeks a broad core exposure to provide diversification and long term objectives, with an outlying allocation in higher risk actively traded securities appropriate for the risk level and tax desire of the individual client. The firm also incorporates fixed income in balanced portfolios in laddered maturities. Portfolios are constructed based on each client's life situation in accordance with financial capacity to incur risk and the client's attitude toward and willingness to incur the risk, the cash flow in and out of a portfolio, personal constraints, tax liability and purpose. These types of portfolios may include:

- *Ultra Conservative (0% Equity – 100% Fixed Income):* This portfolio is designed to provide clients with income and maximizes preservation of principal. It is designed for clients who need to minimize fluctuations in account value.
- *Conservative (20% Equity – 80% Fixed Income):* This portfolio is designed to provide clients with current income and preservation of principal. It is designed for individuals who seek to minimize fluctuations in account value.
- *Conservative Balanced (40% Equity – 60% Fixed Income):* This portfolio is designed to provide clients with the opportunity to achieve modest asset growth and income. Clients who chose this objective should be able to absorb moderate fluctuations in value. It is designed for clients who wish to have a steady stream of income but require growth in their portfolios.
- *Balanced (50% Equity – 50% Fixed Income):* This portfolio is designed to provide clients with the opportunity to achieve equal amounts of asset growth and income. Clients who chose this portfolio should be willing to absorb moderate fluctuations in value. It is designed for clients who equally value asset growth and income.
- *Balanced with Growth (60% Equity – 40% Fixed Income):* This portfolio is designed to provide clients with the opportunity to achieve higher levels of growth of assets while providing significant levels of income. Clients who chose this portfolio should be able to absorb significant fluctuations in account value. It is designed for clients who value growth over income in their portfolio.
- *Growth (80% Equity – 20% Fixed Income):* This portfolio is designed to provide clients with the opportunity to achieve higher levels of asset growth while still providing moderate levels of income. Clients who chose this portfolio should be able to absorb significant fluctuations in account value. It is designed for clients who value growth over income in their portfolio.
- *Aggressive Growth (100% Equity – 0% Fixed Income):* This type of portfolio is designed to provide clients with the opportunity to achieve high levels of capital appreciation. Clients who chose this portfolio must be able to withstand substantial market fluctuations in account value. It is designed for clients who seek to maximize long term growth with minimal current income.

The asset allocations described above for each portfolio are guidelines only. A given portfolio or client may have allocations that differ from those stated, as client preferences, market information, market movements and other factors may lead Winthrop to allow a client's portfolio to be "out of balance" with the stated guidelines for a time.

Portfolio Composition

Winthrop's portfolios generally consist of the following components:

- *Growth:* This component provides investment growth by investing primarily in common stocks of companies that appear to offer superior opportunities for growth of capital. The basic investment philosophy is to seek reasonably priced securities that represent long term investment opportunities. This component as the core component of a portfolio is best suited for investors with higher risk tolerance and/or longer time horizons.
- *High Yield Equity:* This component is comprised of stocks with historical dividend yields above the average yield for the S&P 500 stock index. This component is generally a core position for all client portfolios and may be the total equity allocation for certain investors.
- *Small and Mid-Cap:* This component is comprised of stocks of small and mid-sized companies. The investment approach in this category is to seek securities that have increased per-share earnings materially above the average rate of other issues and are expected to continue to do so for the intermediate future. While an allocation in this component is incorporated in most growth portfolios, it may be inappropriate for more conservative or income oriented investors.
- *Fixed Income:* This component is comprised of fixed income securities limited to U.S. government treasury and agency issues; municipal or corporate bonds rated no lower than BBB- by Standard & Poor's or Baa3 by Moody's.; foreign government bonds rated no lower than BBB- or Baa3; and select money market instruments with the highest ratings. The fixed income focus is on preserving capital and generating reliable risk adjusted returns and meeting the liquidity needs of the client. For certain investors with a higher risk appetite we may also include an allocation to high yield and foreign bonds to enhance returns, realizing the volatility risks involved. With the exception of portfolios invested in high yield and foreign bonds, the fixed income component makeup is a maturity ladder, usually no longer than ten years in duration and with little prepayment risk. Economic conditions will justify shorter or longer term maturities. We seek the return of principal first and foremost and attempt to be as tax efficient as possible by managing tax flow within tax brackets and employing asset location strategies.
- *International:* This component of the portfolio includes developed international and emerging market mutual funds and ETFs. This component provides greater diversification and is focused on attempting to enhance returns while reducing overall portfolio volatility through inverse correlation where possible. International equity funds and ETFs may not be appropriate for all investors other than those with moderate to aggressive risk profiles.
- *Alternative Investments:* Alternative investments may be used to introduce investments that generate consistent returns without the volatility associated with the stock market.

These investments may also provide some additional upside to a fixed income portfolio. By creating a portfolio that has many parts moving independently of a core stock portfolio, alternatives can be introduced to gain returns while limiting overall risk. Use of alternatives are limited to highly liquid and publicly traded investments such as ETFs, mutual funds, exchange traded Master Limited Partnerships, and Real Estate Investment Trusts.

Legacy Portfolio Program

This program generally includes a portion of the client's overall portfolio, the remainder of which is managed pursuant to one of the firm's other investment strategies. Clients included in this program have above normal concentration in one or more stocks that may have low cost basis or emotional attachment so that there are restrictions on sale. Clients are advised that there is potentially a higher risk level and increased portfolio volatility when holding concentrated positions, and this may constrain proper portfolio allocation. Where agreed upon by client, a schedule for liquidation over a number of years will be set in place. Tax efficient giving strategies are also explored. Depending on client's goals and cash flow needs and the makeup of investments outside of the concentrated position, diversification will be sought to the best possible level.

Mutual Fund/ETF Program

Accounts valued under \$250,000 will be placed in the mutual fund program if in the opinion of Winthrop, after consultation with client, this approach represents a more suitable option for achieving an appropriate level of diversity/diversification than would investments in individual stocks and/or fixed income securities. Investment objectives will be set in line with risk level and cash flow needs. Portfolios in this program will generally be invested in three to five mutual funds providing the appropriate diversification. Although the firm favors a long-term buy and hold approach, at times a non-performing fund will be sold regardless of time held in the account in order to re-invest in a fund with greater appreciation potential, more yield, or a growing sector in the economy.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund

itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of Winthrop's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Winthrop will be able to predict those price movements accurately.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

ITEM 9. DISCIPLINARY INFORMATION

Winthrop is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Winthrop does not have any required disclosures to this Item.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Winthrop is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Winthrop has described such relationships and arrangements below.

Receipt of Insurance Commission

Certain of Winthrop's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully- disclosed commission basis, the purchase of certain insurance products. While Winthrop does not sell such insurance products to its investment advisory clients, Winthrop does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Winthrop recommends the purchase of insurance products where Winthrop's *Supervised Persons* receive insurance commissions or other additional compensation.

Elleverage LLC

Deborah Stauring, a former owner of Winthrop and Winthrop's Chief Compliance Officer, has established Elleverage LLC, an entity with a registration pending as an investment adviser in the State of New York. Elleverage provides services related to financial goal setting and financial planning to individuals both through Winthrop and independent of Winthrop. Elleverage also provides and back office and compliance support for investment advisers. Winthrop will likely recommend the services of Elleverage to individuals whose investment adviser representatives do not perform financial planning services themselves. This recommendation may be a material conflict of interest in that Elleverage's owner also serves as the firm's Chief Compliance Officer.

ITEM 11. CODE OF ETHICS

Winthrop and persons associated with Winthrop ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Winthrop's policies and procedures.

Winthrop has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Winthrop or any of its associated persons. The *Code of Ethics* also requires that certain of Winthrop's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Except under block trade circumstances specifically described in Winthrop's *Code of Ethics*, none of Winthrop's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Winthrop's clients.

Similarly, except under block trade circumstances specifically described in Winthrop's *Code of*

Ethics, when Winthrop is purchasing or considering for purchase (or selling or considering the sale) any security on behalf of a client, or no *Access Person* may effect a transaction in that security prior to the completion of the purchase (or sale) or until a decision has been made not to purchase (or sell) such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients. may contact Winthrop to request a copy of its *Code of Ethics*.

ITEM 12. BROKERAGE PRACTICES

As discussed above, in Item 5, Winthrop generally recommends that clients utilize the brokerage and clearing services of *Raymond James*.

Factors which Winthrop considers in recommending *Raymond James* or any other broker- dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Raymond James* enables Winthrop to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Raymond James* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Winthrop's clients comply with Winthrop's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Winthrop determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Winthrop seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Winthrop and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Winthrop periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

As further set forth in the custodial agreement between the client and *Raymond James*, *Raymond James'* fee includes all execution charges except (1) certain dealer mark-ups and odd-lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934 and any other charges imposed by law with regard to transactions in the account, (2) offering

concessions and related fees for purchases of money market mutual funds and other public offerings of securities as more fully disclosed in the prospectus; and (3) certain legal transfer fees. Clients may also incur charges for other account services provided by *Raymond James*, through RJA, not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for transfers of securities. *Raymond James* is not obligated to execute any transaction that would violate state or federal law or regulation of any self-regulatory organization of which *Raymond James* is a member. *Raymond James* may designate certain investments that cannot be held in a client's account.

Except as otherwise provided, *Raymond James*' responsibility is limited to executing transactions pursuant the firm's instructions and *Raymond James* does not take responsibility for the management of individual client portfolios. Winthrop has agreed to indemnify and hold harmless RJFS, *Raymond James*, and their officers, directors, associates, agents, employees, and affiliates from any losses, costs (including attorneys fees), indebtedness, and liabilities arising from actions directed by client or the firm. This indemnification agreement is a continuing one and shall remain in full force and effect until terminated in writing.

The client may direct Winthrop in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Winthrop will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Winthrop (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Winthrop may decline a client's request to direct brokerage if, in Winthrop's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Winthrop decides to purchase or sell the same securities for several clients at approximately the same time. Winthrop may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Winthrop's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Winthrop clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Winthrop determines to aggregate client orders for the purchase or sale of securities, including securities in which Winthrop's *Supervised Persons* may invest, Winthrop generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Winthrop does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Winthrop determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

(i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Winthrop may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Winthrop in its investment decision-making process. Such research generally will be used to service all of Winthrop's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Winthrop does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

Winthrop may receive from *Raymond James*, without cost to Winthrop, computer software and related systems support, which allow Winthrop to better monitor client accounts maintained at *Raymond James*. Winthrop may receive the software and related support without cost because Winthrop renders investment management services to clients that maintain assets at *Raymond James*. The software and related systems support may benefit Winthrop, but not its clients directly. In fulfilling its duties to its clients, Winthrop endeavors at all times to put the interests of its clients first. Clients should be aware; however, that Winthrop's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Winthrop's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Winthrop may receive the following benefits from *Raymond James* through its registered investment adviser group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its registered investment adviser group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Raymond James has also provided Winthrop with monetary assistance for the start-up of the firm that has an associated repayment provision. If Winthrop maintains a specified amount of client assets on *Raymond James' advisory* platform, it will not be responsible for repayment of these costs. As such, Winthrop has a financial incentive to recommend that clients utilize *Raymond James* as the custodian for their accounts.

ITEM 13. REVIEW OF ACCOUNTS

For those clients to whom Winthrop provides investment management services, Winthrop monitors those portfolios as part of an ongoing process while regular account reviews are conducted no less often than annually. Certain events, such as sudden movements in the market or in interest rates, the unanticipated receipt or withdrawal of investment funds, or the notification by a client of a change in circumstances, will trigger additional account reviews. For those clients to whom Winthrop provides financial planning services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of the principals of Winthrop. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Winthrop and to keep Winthrop informed of any changes thereto. Winthrop contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Winthrop provides investment advisory services will generally receive a report from Winthrop that may include account and/or market-related information on an annual basis.

Those clients to whom Winthrop provides financial planning services will receive reports from Winthrop summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Winthrop.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Winthrop is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Winthrop is required to disclose any direct or indirect compensation that it provides for client referrals.

Winthrop may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

ITEM 15. CUSTODY

Winthrop's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Winthrop through such *Financial Institution* to debit the client's account for the amount of Winthrop's fee and to directly remit that management fee to Winthrop in accordance with applicable custody rules.

The *Financial Institutions* recommended by Winthrop have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Winthrop. As discussed in Item 13, Winthrop may also send periodic supplemental reports to clients. All such reports are typically generated by the custodian's software, as indicated by the custodian's logo or other identification, and thus all holdings and balances will be consistent with reports received by clients directly from the custodian. Any differences that cannot be accounted for by day-to-day changes in market values should be reported by the client to the Chief Compliance Officer of Winthrop, Deborah Stauring, at the address and number provided above.

ITEM 16. INVESTMENT DISCRETION

Winthrop may be given the authority to exercise discretion on behalf of clients. Winthrop is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Winthrop is given this authority through a power-of-attorney included in the agreement between Winthrop and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Winthrop takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Financial Institutions* to be utilized.

ITEM 17. VOTING CLIENT SECURITIES

Winthrop is required to disclose if it accepts authority to vote client securities. Winthrop does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

ITEM 18. FINANCIAL INFORMATION

Winthrop does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Winthrop is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Winthrop has no disclosures pursuant to this Item.

