

Breakwater Financial LLC

Form ADV Part 2A – Disclosure Brochure

Effective: December 22, 2105

This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Breakwater Financial LLC (“Breakwater”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (617) 800-0388.

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

Additional information about Breakwater and its advisory persons are available on the SEC’s website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD # - 282401.

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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Breakwater.

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

Initial Filing

Breakwater is a new Registered Investment Advisor. This is the initial filing of the Disclosure Brochure.

Future Changes

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

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD # - 282401. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (617) 800-0388.

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Item 4 – Advisory Services

A. Firm Information

Breakwater Financial LLC (“Breakwater” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is located in the Commonwealth of Massachusetts. Breakwater is organized as a Limited Liability Company (“LLC”) under the laws of Massachusetts. Breakwater was founded in December 2015, and is owned and operated by Christopher E. Winn (Interim Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Breakwater.

B. Advisory Services Offered

Breakwater offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, and businesses in Massachusetts and other states (each referred to as a “Client”).

Wealth Management Services

Breakwater provides customized wealth management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and planning services. Breakwater works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an investment strategy.

Breakwater will develop a long-term asset allocation that serves as the core portfolio strategy for each client. In addition, the Advisor will employ a tactical overlay for a portion of the Client’s portfolio. Portfolios are primarily constructed using mutual funds, exchange-traded funds (“ETFs”), and individual equities securities. The Advisor may also utilize other types of investments, as appropriate, to meet the needs of each particular Client.

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

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

Breakwater will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Breakwater accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

Financial Planning Services

Breakwater will typically provide a variety of financial planning services to individuals and families, pursuant to a written financial planning agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client’s financial goals and objectives. This planning or consulting may encompass

one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

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

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

C. Client Account Management

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

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

D. Wrap Fee Programs

Breakwater typically includes the securities transaction fees for Client accounts as part of its overall investment advisory fee (See Item 5 – Fees and Compensation below). The inclusion of these securities transaction costs into the investment advisory fee is generally considered a "wrap fee program". While traditional wrap fee programs often have a rigid set of investment options and uniform trading practices, Breakwater customizes its investment advisory services for each of its Clients. The Breakwater Wrap Fee Program merely provides for these services under a single annualized fee. A copy of this Wrap Fee Brochure is attached as Appendix 1 to this Disclosure Brochure.

E. Assets Under Management

Breakwater is a newly established advisor. Assets under management shall be reported following the Advisor's December 31, 2016 fiscal year end. Clients may request more current information at any time by contacting the Advisor.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Breakwater and the Client.

A. Fees for Advisory Services

Investment Advisory Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are charged at an annual rate of 0.50% to 2.00%, based on the market value of assets under management at the end of the prior quarter. Investment advisory fees in the first quarter of service are prorated from the inception date of the Client's account[s] to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Breakwater will be independently valued by the Custodian. Breakwater will not have the authority or responsibility to value portfolio securities. The investment advisory fee may include securities transaction fees for normal trading pursuant to the Advisor's strategies. Please see Item 5.C. below.

Financial Planning Services

Breakwater offers financial planning services on either an hourly basis or a fixed engagement fees. Hourly engagements are bill at a rate of up to \$250 per hour. Fixed fee engagements are negotiated based on the expected number of hours to complete the engagement at the Advisor's hourly rate. Fees may be negotiable at the sole discretion of the Advisor, depending on the nature and complexity of services to be provided. An estimate for total hours and/or costs will be determined prior to establishing the advisory relationship.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

B. Fee Billing

Investment Advisory Services

Investment advisory fees will be calculated by the Advisor and automatically deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Breakwater at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients provide written authorization permitting Breakwater to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Financial Planning Services

Financial planning fees are billed after the complete of engagement deliverables and due upon receipt of the invoice. The Advisor may invoice the Client for financial planning fees or arrange for the deduction of planning fees from the Client's account[s] at the Custodian. Certain Clients may have their planning fees included with their overall investment advisory fees.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Breakwater, in connection with investments made on behalf of the Client's account[s].

For Clients in the Breakwater Wrap Fee Program, all normal custodial and securities transaction fees charged by the Custodian are included in the Client's investment advisory fee as noted above. The Client will be responsible for securities transaction fees for Client-directed trades. For investment advisory services performed at a custodian

other than Fidelity, the Client shall be responsible for all custodial and securities transactions fees charged by that custodian and/or the executing broker-dealer.

In addition, all fees paid to Breakwater for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client should review both the fees charged by the fund[s] and the fees charged by Breakwater to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Investment Advisory Services

Breakwater is compensated for its investment advisory services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement by providing advance written notice to the other party. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Advisor will refund any unearned, prepaid fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

Financial Planning Services

Breakwater is compensated for its financial planning services in arrears (Please see Item 5.A above.). Either party may terminate the financial planning agreement by providing advance written notice to the other party. Upon termination, the Client shall be responsible for planning fees based on the hours incurred or in the event of a fixed fee, the percentage of the engagement completed. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

E. Compensation for Sales of Securities

Breakwater does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

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

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

Item 7 – Types of Clients

Breakwater offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, and businesses. The relative percentage of each type of Client is available on Breakwater's Form ADV Part 1. These percentages will change over time. Breakwater generally does not impose a minimum account size for establishing a relationship. However, smaller accounts may be subject to different investment selection and strategies.

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

A. Methods of Analysis

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

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

B. Risk of Loss

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

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

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

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Breakwater or any of its employees.

Breakwater and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

To review the firm information contained in Form ADV Part 1, select the option for "Investment Adviser Search", then selecting "Firm" and enter **282401** in the field labeled "Firm Name or CRD# or SEC#". This will provide access to Form ADV Parts 1 and 2. Item 11 of the Form ADV Part 1 lists legal and disciplinary disclosure questions.

Item 10 – Other Financial Industry Activities and Affiliations

Insurance Agency Affiliations

Advisory Persons of Breakwater may serve as licensed insurance professionals. Breakwater and its Advisory Persons maintain insurance licensing to assist Clients, but do not seek to earn additional compensation in the form of commissions. Breakwater may refer the Client to unaffiliated insurance professionals or firms, which will receive a commission for the implementation of recommendations. If Breakwater implements an insurance product for a Client, they will first seek products that do not pay a commission. If a commissionable product is deemed the best option for the Client and is implemented directly by Breakwater or its Advisory Persons,

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Breakwater will seek to have commissions waived or rebated to the Client. If the commission cannot be waived or rebated, Breakwater will coordinate with the Client to donate the commission to a charity, as allowable by law. Clients are under no obligation to implement any recommendations made the Advisor or its Advisory Persons.

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

A. Code of Ethics

Breakwater has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Breakwater. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Breakwater and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Breakwater associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (617) 800-0388.

B. Personal Trading with Material Interest

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

C. Personal Trading in Same Securities as Clients

Breakwater allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, employees of Breakwater may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Breakwater requiring reporting of personal securities trades by its employees for review by the employee's supervisor or the CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

D. Personal Trading at Same Time as Client

While Breakwater allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards.

At no time will Breakwater, or any associated person of Breakwater, transact in any security to the detriment of any Client.

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Breakwater does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize Breakwater to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, Breakwater does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Breakwater does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by Breakwater. Breakwater may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. Breakwater does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers. Breakwater typically recommends that Clients establish their accounts with Fidelity Investments, Inc. ("Fidelity"), where the Advisor maintains an institutional relationship. Please see Item 14.

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

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Breakwater does not participate in soft dollar programs sponsored or offered by any broker-dealer, but does receive economic benefits from Fidelity (Please see Item 14).

2. Brokerage Referrals - Breakwater does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

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

B. Aggregating and Allocating Trades

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

Item 13 – Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by the Chief Compliance Officer of Breakwater. Formal reviews are generally conducted at semi-annually or more or less frequently depending on the needs of the Client.

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B. Causes for Reviews

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

C. Review Reports

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

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by Breakwater

Breakwater does not receive securities commissions from product sponsors, broker-dealers or any un-related third party. Breakwater may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Breakwater may receive referrals of new Clients from a third-party.

Participation in Institutional Advisor Platform

Breakwater has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Fidelity: financial start-up support; reimbursement to Clients for transfer costs to Fidelity; receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional 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.

B. Client Referrals from Solicitors

Breakwater does not engage paid solicitors for Client referrals.

Item 15 – Custody

Breakwater does not accept or maintain custody of any Client accounts, except for the authorized deduction of the advisor's fee. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct Breakwater to utilize that custodian for the Client's security transactions. Breakwater encourages Clients to review statements provided by the account custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

Item 16 – Investment Discretion

Breakwater generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to

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by Breakwater. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Breakwater will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client Securities

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

Item 18 – Financial Information

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

Breakwater Financial LLC

Form ADV Part 2A Appendix 1 ("Wrap Fee Brochure")

Effective: December 22, 2015

This Form ADV2A - Appendix 1 ("Wrap Fee Brochure") provides information about the qualifications and business practices for Breakwater Financial LLC ("Breakwater") services when Client transaction costs are combined with investment advisory fees. This Wrap Fee Brochure shall always be accompanied by the Breakwater Disclosure Brochure, which provides complete details on the business practices of the Advisor. If you did not receive the complete Breakwater Disclosure Brochure or you have any questions about the contents of this Wrap Fee Brochure or the Breakwater Disclosure Brochure, please contact us at (617) 800-0388.

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Additional information about Breakwater and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD # - 282401.

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Item 2 – Material Changes

Form ADV 2 - Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Brochure discusses wrap fee programs offering by the Advisor.

Initial Filing

Breakwater is a new Registered Investment Advisor. This is the initial filing of this Wrap Fee Brochure.

Future Changes

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

At any time, you may view the current Disclosure Brochure (which includes this Wrap Fee Brochure) on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD # - 282401. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (617) 800-0388.

Breakwater Financial LLC

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Item 4 – Services Fees and Compensation

A. Services

Breakwater provides customized wealth advisory services for its Clients. The Breakwater Wrap Fee Program (the “Wrap Fee Program”) is a fee Program that includes the investment advisory services provided by Breakwater along with the normal trading costs for securities transactions. Breakwater has negotiated transaction costs with certain custodians for a flat basis point fee instead of a per transaction charge for each Client account.

Breakwater provides customized investment advisory solutions for its Clients, which are described in detail on Item 4 of the attached Form ADV2A – Disclosure Brochure. The Wrap Fee Program is not a different investment approach or service offering. It is simply a combined fee.

Details of this Wrap Fee Program are contained in this Appendix 1, but often reference back to the Form ADV2A – Disclosure Brochure, which provides full details regarding the advisory services of Breakwater. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Breakwater’s investment philosophy and related services.**

B. Program Costs

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are charged at an annual rate of 0.50% to 2.00%, based on the market value of assets under management at the end of the prior quarter. Investment advisory fees in the first quarter of service are prorated from the inception date of the Client’s account[s] to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Breakwater will be independently valued by the Custodian. Breakwater will not have the authority or responsibility to value portfolio securities.

Services provided under this Wrap Fee Program may cost the Client more or less than paying for investment management services and transaction costs separately. The Frequency of trading, size of accounts and the securities used to construct a portfolio are factors that drive the overall cost of managing a portfolio. Additional information regarding fees are included in Item 5 of Form ADV Part 2A – Disclosure Brochure.

Breakwater provides this Wrap Fee Program to provide a single fee that includes investment management and all normal securities transactions costs associated with Breakwater investment strategies. The Wrap Fee Program does not include securities transaction fees for Client-directed transactions. Further, the Wrap Fee Program does not include the underlying expenses of mutual funds and exchange-traded funds, which are deducted directly from these investments. Please see Item C. Fees below as well as Item 5.C. of the Disclosure Brochure. **Please see Item 5 – Fees and Compensation.**

C. Fees

The Breakwater Wrap Fee Program includes typical securities trading costs incurred in connection with the discretionary investment management services provided by Breakwater. Securities transaction fees for Client directed trades are borne by the Client. There are other fees charged by unaffiliated third parties that Clients should fully understand. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Brochure).

D. Compensation

Breakwater is the sponsor and portfolio manager of this Wrap Fee Program. Breakwater receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the custodian for the costs associated with the normal trading activity in the Client’s account[s].

Item 5 – Account Requirements and Types of Clients

Breakwater offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, and businesses in Massachusetts and other states. Breakwater generally does not impose a minimum account size for establishing a relationship. **Please see Item 7 of the Disclosure Brochure for additional details.**

Item 6 – Portfolio Manager Selection and Evaluation

A. Portfolio Manager Selection

Breakwater serves as sponsor and as portfolio manager for the services under this Wrap Fee Program.

B. Related Persons

Breakwater personnel serve as portfolio managers for all advisory accounts, including accounts under this Wrap Fee Program. Breakwater does not serve as a portfolio manager for any third party wrap fee programs.

C. Supervised Persons

Breakwater Advisory Persons serve as portfolio managers for all accounts, including the services described in this Wrap Fee Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

B. Methods of Analysis and Risk of Loss

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Brochure) for details on the research and analysis methods employed by the Advisor. Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

Performance-Based Fees

Breakwater does not charge performance-based fees.

Proxy Voting

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

Item 7 – Client Information Provided to Portfolio Managers

Breakwater is required to describe the type and frequency of the information it communicates to any external managers that may be involved in managing its Clients' investment portfolios. Breakwater serves as the sole portfolio manager under this Wrap Fee Program and, as such, the Advisor has no information to disclose in relation to regarding this Item.

Item 8 – Client Contact with Portfolio Managers

Breakwater is the sponsor and sole portfolio manager for this Wrap Fee Program. There is no restriction on the Client's ability to contact Breakwater.

Item 9 – Additional Information

A. Disciplinary Information and Other Financial Industry Activities and Affiliations

Please see Item 9 of the Disclosure Brochure for details on the affiliations of Breakwater and its Advisory Persons.

Other Financial Activities and Affiliations

Please see Items 10 and 14 of the Breakwater Disclosure Brochure (included with this Wrap Fee Brochure).

B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information

Breakwater has implemented a Code of Ethics that defines our fiduciary commitment to each Client. Details of this Code of Ethics and related practices are included in item 11 of the Disclosure Brochure.

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Review of Accounts

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of Breakwater under the supervision of the Chief Compliance Officer. Details of the review policies and practices are provided in Item 13 of the Disclosure Brochure.

Other Compensation

Please see Item 14 – Other Compensation in the Disclosure Brochure (included with this Wrap Fee Brochure) for details on additional compensation that may be received by Breakwater or its Advisory Persons. Each Advisory Person's Brochure Supplement (also included with this Wrap Fee Brochure) provides details on any outside business activities and the associated compensation.

Financial Information

Neither Breakwater, nor its management has any adverse financial situations that would reasonably impair the ability of Breakwater to meet all obligations to its Clients. Neither FWA, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. FWA is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance. Please see Item 18 of the Disclosure Brochure.

Privacy Policy

Effective Date: December 22, 2015

Our Commitment to You

Breakwater Financial LLC ("Breakwater" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Breakwater (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Breakwater does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

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How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
Servicing our Clients We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
Marketing Purposes Breakwater does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Breakwater or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
Authorized Users Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
Information About Former Clients Breakwater does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

State-specific Regulations

Massachusetts	In response to a Massachusetts law, clients must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.
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Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (617) 800-0388.

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