

# **Bluesphere Advisors LLC Brochure**

**Effective: May 25, 2016**

This Form ADV2A ("Disclosure Brochure") provides information about the qualifications and business practices of Bluesphere Advisors LLC ("Bluesphere" or the "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at [\(617\) 800-0388](tel:6178000388).

Bluesphere is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). 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 Bluesphere to assist you in determining whether to retain the Advisor.

Additional information about Bluesphere and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# **283972**.

**Bluesphere Advisors LLC  
1000 Plain Street, Suite 1B  
Marshfield, MA 02050  
Phone: (617) 800-0388**

## **Item 2 – Material Changes**

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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 Bluesphere.

Bluesphere 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. Bluesphere 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

Bluesphere 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 Bluesphere.

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](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# **283972**.

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**

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### **A. Firm Information**

Bluesphere Advisors LLC (“Bluesphere” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is located in the Commonwealth of Pennsylvania. Bluesphere is organized as a Limited Liability Company (“LLC”) under the laws of the Commonwealth of Pennsylvania. Bluesphere was founded in May 2016, 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 Bluesphere.

### **B. Advisory Services Offered**

Bluesphere offers investment advisory services to individuals and high net worth individuals in the Commonwealth of Massachusetts and other states (each referred to as a “Client”).

#### Investment Management Services

Bluesphere provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. Bluesphere works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. Bluesphere will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks, bonds, options and margins to meet the needs of its Clients.

Bluesphere’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. Bluesphere 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.

Bluesphere evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Bluesphere may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Bluesphere 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, which may adversely affect the portfolio. Bluesphere 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.

**Prior to rendering investment advisory services, Bluesphere will ascertain, in conjunction with the Client, the Client’s financial situation, risk tolerance, and investment objective[s].**

Bluesphere will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Bluesphere 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 and Consulting Services

Bluesphere will typically provide a variety of financial planning services to individuals and families, pursuant to a written Financial Planning or Consulting 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. Bluesphere 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 and consulting 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.

### **C. Client Account Management**

Prior to engaging Bluesphere to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement 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 – Bluesphere, in connection with the Client, will develop an investment strategy that seeks to achieve the Client's investment goals and objectives.
- Asset Allocation – Bluesphere 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 – Bluesphere will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Bluesphere will provide investment management and ongoing oversight of the Client's portfolio and overall account.

### **D. Wrap Fee Programs**

Bluesphere includes the securities transaction costs and platform fees together with its investment advisory fees. Including these fees into a single asset-based fee is considered a "wrap fee program". Depending on the level of trading required for the Client's account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix I –Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

### **E. Assets Under Management**

Bluesphere 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**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of Bluesphere and the Client.

### **A. Fees for Advisory Services**

#### Investment Management Services

Investment advisory fees are paid quarterly in arrears pursuant to the terms of the investment advisory agreement.

Investment advisory fees range from 0.75% to 1.50% depending on the size and complexity of the Client relationship. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

Investment advisory fees in the first quarter of service are prorated from the inception date of the account 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 Bluesphere will be independently valued by the designated Custodian. Bluesphere will not have the authority or responsibility to value portfolio securities.

#### Financial Planning and Consulting Services

Bluesphere offers financial planning or consulting services on an hourly of \$300 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

Bluesphere also offers financial planning or consulting services on a fixed fee basis ranging from \$2,000 to \$10,000, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours 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 Management Services

Investment advisory fees will be calculated by the Advisor and 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 Account 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 Bluesphere 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. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Bluesphere 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 and Consulting Services

Financial planning and consulting fees are invoiced 50% upon execution of the Financial Planning and Consulting Agreement and 50% upon receipt of the agreed upon deliverable.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Bluesphere, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by Bluesphere is separate and distinct from these custodian and execution fees.

In addition, all fees paid to Bluesphere 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. A Client could invest in these products directly, without the services of Bluesphere, but would not receive the services provided by Bluesphere which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Bluesphere to fully understand the total fees to be paid.

## **D. Advance Payment of Fees and Termination**

### Investment Management Services

Bluesphere is compensated for its services at the end of the quarter after investment advisory services are rendered. Clients may request to terminate their investment advisory agreement with Bluesphere, in whole or in part, by providing advance written notice. The Client shall be responsible for investment advisory fees up to and including the effective date of termination.

### Financial Planning and Consulting Services

In the event that a Client should wish to cancel the financial planning agreement under which any plan is being created, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within 5 business days of cancellation.

Either party may terminate a planning or consulting agreement at any time by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) days of signing the Advisor's financial planning or consulting agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro rata basis.

## **E. Compensation for Sales of Securities**

Bluesphere 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**

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Bluesphere does not charge performance-based fees for its investment advisory services. The fees charged by Bluesphere 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.

Bluesphere 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**

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Bluesphere provides investment advisory services to individuals and high net worth individuals. The relative percentage of each type of Client is available on Bluesphere's Form ADV Part 1. These percentages will change over time.

Bluesphere generally does not impose a minimum account size for establishing a relationship.

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

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### **A. Methods of Analysis**

Bluesphere primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Bluesphere 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, Bluesphere generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Bluesphere 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, Bluesphere 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. Bluesphere 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.

Bluesphere may use margin in Client accounts to manage the timing of purchases and sales, as appropriate. Bluesphere may employ options strategies to hedge or gain additional exposure to a particular asset class or sector. Bluesphere's investment strategy encompasses active trading in concentrated portfolios. Following are some of the risks associated with Options, Margin and Short-Sale transactions:

### Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

### Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

**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. For more information on our investment management services, please contact us at (617) 800-0388.**

## **Item 9 – Disciplinary Information**

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

Bluesphere 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](http://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 **283972** 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 Bluesphere, may serve as insurance professionals. This activity is done separate and apart from their role with Bluesphere. As insurance professionals, Advisory Persons may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Advisory Persons of Bluesphere.

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

### **A. Code of Ethics**

Bluesphere has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Bluesphere. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Bluesphere and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Bluesphere 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**

Bluesphere allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Bluesphere 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. Bluesphere does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Bluesphere 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 Bluesphere 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 Bluesphere 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 Bluesphere 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 Bluesphere, or any associated person of Bluesphere, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Bluesphere 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 Bluesphere to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, Bluesphere does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Bluesphere does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] 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 Bluesphere.

Bluesphere 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. Bluesphere 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.

Bluesphere will generally recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". Bluesphere maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab (Please see Item 14 below.)

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. **Bluesphere does not participate in soft dollar programs sponsored or offered by any broker-dealer.**
- 2. Brokerage Referrals** - Bluesphere 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 Bluesphere 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, Bluesphere 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. Bluesphere will execute its transactions through an unaffiliated broker-dealer selected by the Client. Bluesphere 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**

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### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis by Mr. Pawar, Principal of Bluesphere. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

## **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 Bluesphere 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**

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### **A. Compensation Received by Bluesphere**

#### Participation in Institutional Advisor Platform

Bluesphere has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Bluesphere. As a registered investment advisor participating on the Schwab Advisor Services platform, Bluesphere receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. 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.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and financial support to (Advisor Short Name) that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a potential conflict of interest. (Advisor Short Name) believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

### **B. Client Referrals from Solicitors**

Bluesphere does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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Bluesphere 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 Bluesphere to utilize that custodian for the Client's security transactions. Bluesphere 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**

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Bluesphere 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 by Bluesphere. 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 Bluesphere will be in accordance with each Client's investment objectives and goals.

### **Item 17 – Voting Client Securities**

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Bluesphere 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**

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Neither Bluesphere, nor its management, have any adverse financial situations that would reasonably impair the ability of Bluesphere to meet all obligations to its Clients. Neither Bluesphere, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Bluesphere 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.

## **Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure**

**Effective: May 24, 2016**

This Form ADV2A – Appendix 1 (“Wrap Fee Program Brochure”) provides information about the business practices and fees for Bluesphere Advisors LLC (“Bluesphere” or the “Advisor”) when Client transaction costs are included with investment advisory fees as a single fee. This Wrap Fee Program Brochure shall always be accompanied by the Bluesphere Disclosure Brochure, which provides complete details on the business practices of Bluesphere. If you did not receive the complete Bluesphere Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the Bluesphere Disclosure Brochure, please contact us at (617) 800-0388.

Bluesphere is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Wrap Fee Program 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 Wrap Fee Program Brochure provides information about Bluesphere to assist you in determining whether to retain the Advisor.

Additional information about Bluesphere and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# **283972**.

## **Item 2 – Material Changes**

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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 Program Brochure discusses the fee billing practices of the Advisor as a supplement to the Disclosure Brochure.

### Initial Filing

Bluesphere is a new Registered Investment Advisor. This is the initial filing of the Wrap Fee Program Brochure.

### Future Changes

From time to time, we may amend this Wrap Fee Program 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 Program 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 Bluesphere.

At any time, you may view the current Wrap Fee Program Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm's name or CRD# **283972**.

You may also request a copy of this Wrap Fee Program Brochure at any time, by contacting us at (617) 800-0388.

## **Item 3 – Table of Contents**

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## **Item 4 – Services Fees and Compensation**

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### **Services**

Bluesphere Advisors LLC (“Bluesphere” or the “Advisor”) provides customized investment management services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the Bluesphere Disclosure Brochure (Form ADV2A). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting Bluesphere as your investment advisor.

As part of the investment advisory fees noted in Item 5 of the Disclosure Brochure, Bluesphere may include normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single investment advisory fee. This Wrap Fee Program Brochure references back to the Bluesphere Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Bluesphere’s investment philosophy and related services.**

### **Program Costs**

Advisory services provided by Bluesphere may be offered in a wrap fee structure whereby normal securities transaction costs are included in the overall investment advisory fee paid to Bluesphere.

As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client. **Please see Item 5 – Fees and Compensation for complete details on fees.**

### **Fees**

The Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary investment management services provided by Bluesphere. Securities transaction fees for Client directed trades are borne by the Client. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

### **Compensation**

Bluesphere is the sponsor and portfolio manager of this Wrap Fee Program. Bluesphere receives investment advisory fees paid by Clients for investment advisory services covered under this Wrap Fee Program.

## **Item 5 – Account Requirements and Types of Clients**

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Bluesphere offers investment advisory services to individuals and high net worth individuals. Bluesphere generally does not impose a minimum size for establishing a relationship.

## **Item 6 – Portfolio Manager Selection and Evaluation**

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### **Portfolio Manager Selection**

Bluesphere serves as the sponsor and portfolio manager for this Wrap Fee Program. Advisory services are detailed in Item 4 of the Disclosure Brochure.

### **Related Persons**

Bluesphere’s Supervised Persons serves as portfolio manager for services under this Wrap Fee Program. Bluesphere does not act as portfolio manager for any third-party wrap fee programs.

### **Supervised Persons**

As noted above, certain Supervised Persons serve as the portfolio manager for the Wrap Fee Program. Please refer to the complete Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the services provided by Bluesphere and the Brochure Supplement for the background of the Supervised Persons of Bluesphere.



#### Performance-Based Fees

Bluesphere does not charge performance-based fees for its investment advisory services. The fees charged by Bluesphere 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.

Bluesphere 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.

#### Methods of Analysis

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the research and analysis methods employed by the Advisor.

#### 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. Bluesphere 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.

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[s]. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. 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.

**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. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.**

#### Voting Client Securities

Bluesphere 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**

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Bluesphere is the sponsor and sole portfolio manager for the Program. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program. Please also see the Bluesphere Privacy Policy (included after this Wrap Fee Program Brochure).

### **Item 8 – Client Contact with Portfolio Managers**

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Bluesphere is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at Bluesphere.

### **Item 9 – Additional Information**

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

##### Disciplinary Information

Bluesphere 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](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# **283972**. Please see Item 9 of the Bluesphere Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background of the Advisor and its Advisory Persons.

#### Other Financial Activities and Affiliations

Please see Items 10 and 14 of the Bluesphere Disclosure Brochure as well as Items 4 and 5 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure).

#### Participation in Institutional Advisor Platform

As disclosed in Item 12 of the Disclosure Brochure, Bluesphere, as a registered investment advisor, participates in Fidelity's institutional programs and typically recommends Fidelity to Clients for custody and brokerage services. There is no direct link between Bluesphere's participation in these institutional programs and the investment advice it gives to its Clients, although Bluesphere receives economic benefits through its participation in the institutional programs that are typically not available to retail investors. Please see Items 12 and 14.

#### **Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

Bluesphere has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to Bluesphere's compliance program (our "Supervised Persons"). Complete details on the Bluesphere Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### Review of Accounts

Investments in Client accounts are monitored on a regular basis by Sanjay K. Pawar, Chief Compliance Officer and Principal of Bluesphere. Please see Item 13 of the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### Other Compensation

Please see Item 14 – Other Compensation in the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on additional compensation that may be received by Bluesphere or its Supervised Persons. The Brochure Supplements for each Advisory Person (also included with this Wrap Fee Program Brochure) provide details on outside business activities and the associated compensation, for all Supervised Person[s] with Bluesphere.

#### Client Referrals from Solicitors

Bluesphere does not engage paid solicitors for Client referrals.

#### Financial Information

Neither Bluesphere, nor its management has any adverse financial situations that would reasonably impair the ability of Bluesphere to meet all obligations to its Clients. Neither Bluesphere, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Bluesphere 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.

## **Privacy Policy**

**Effective: May 24, 2016**

### **Our Commitment to You**

Bluesphere Advisors LLC ("Bluesphere" or the "Advisor") is committed to safeguarding the use of personal information of our Client's (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. Bluesphere (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.

Bluesphere 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.

### **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? |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|
| <b>Servicing our Clients</b><br>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             |
| <b>Marketing Purposes</b><br>Bluesphere 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 Bluesphere or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b> | No           | Not Shared     |
| <b>Authorized Users</b><br>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            |
| <b>Information About Former Clients</b><br>Bluesphere 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     |

### 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.