

## **BLUE SQUARE ASSET MANAGEMENT, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Blue Square Asset Management, LLC (hereinafter “Blue Square Asset Management” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, Blue Square Asset Management is required to discuss any material changes that have been made to the brochure since the last annual amendment. There are no such material changes to disclose

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## Item 4. Advisory Business

Blue Square Asset Management offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Blue Square Asset Management rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Blue Square Asset Management setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Blue Square Asset Management filed for registration as an investment adviser in August 2018 and is directly owned by Jay Bluestine. As of the date of this filing, Blue Square Asset Management does not have any assets under management; however, the Firm reasonably expects to be eligible for registration with the SEC within 120 days of approval as an investment adviser.

While this brochure generally describes the business of Blue Square Asset Management, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on Blue Square Asset Management’s behalf and are subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

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Blue Square Asset Management offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

In performing these services, Blue Square Asset Management is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Blue Square Asset Management recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Blue Square Asset Management or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion

over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Blue Square Asset Management under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Blue Square Asset Management's recommendations and/or services.

### **Investment Management Services**

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Blue Square Asset Management manages client investment portfolios on a discretionary basis. Blue Square Asset Management primarily allocates client assets among various exchange-traded funds ("ETFs") and individual equity securities in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Clients can engage Blue Square Asset Management to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Blue Square Asset Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Blue Square Asset Management tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Blue Square Asset Management consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Blue Square Asset Management if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Blue Square Asset Management determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Sponsor of Wrap Program**

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The Firm does not serve as the sponsor of or manager to a wrap fee program (i.e., an arrangement where certain brokerage commissions and transaction costs are absorbed by the Firm).

Nonetheless, the Firm provides services through accounts available through wrap fee programs offered and administered by Raymond James & Associates ("RJA") Which are described below in more detail.

### Ambassador Program

The Ambassador Program utilizes a wrap fee advisory account, offered and administered by RJA, in which the client is provided with ongoing investment advice and monitoring of securities holdings by the Firm. The Firm provides discretionary or non-discretionary management of the Ambassador Account according to the client's objectives. The Ambassador Account offers Clients the ability to pay an Asset-based Fee in lieu of a commission for each investment. For more information relating to the Ambassador Program, please refer to RJA's wrap fee disclosure brochure (the "Wrap Brochure"), which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 5. Fees and Compensation

Blue Square Asset Management offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management or advisement or the performance of the account. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offers securities brokerage services and/or insurance products under a separate commission-based arrangement.

### Financial Planning and Consulting Fees

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Blue Square Asset Management charges a fixed fee for providing financial planning and consulting. These fees are negotiable, but range from \$2,500 to \$50,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Blue Square Asset Management may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Blue Square Asset Management requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

### Investment Management Fees

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Blue Square Asset Management offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies depending upon the type of client, size and composition of a client's portfolio and the type of services rendered. For individual clients, the fee varies between 75 and 150 basis points (0.75% – 1.50%) per annum. For institutional clients, which includes but is not limited to retirement plans, family offices, collective trusts, and other investment advisers, the fee varies between 25 and 50 basis points (0.25% – 0.50%) per annum.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Blue Square Asset Management on the last day of the previous quarter. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Notwithstanding the foregoing, clients participating in the Ambassador Program will pay fees in accordance with the following terms:

The asset-based fee paid by the client to the Firm is based upon the Ambassador (Discretionary or Non-Discretionary) Investment Adviser Client Agreement (the “Ambassador Agreement”) entered into by the Firm, the client, and Raymond James Financial Services (“RJFS”). Asset-based Fees are discussed by the Firm with the client to determine the appropriate fee, which will be set forth in the Ambassador Agreement. The amount of the fee may take into account the nature and size of the overall client relationship with the Firm and the type of advisory or financial services being or expected to be provided. Supervised persons of the Firm that recommend the Ambassador Program to clients may receive a portion of their compensation from the fees earned from the Ambassador Program. The amount of this compensation may be more than what the supervised person would receive if the client participated in a brokerage account offered through RJFS. Therefore, the supervised person may have an incentive to recommend the Ambassador Program over other programs or services offered by RJFS. Asset-based Fees paid by clients for investment advice and services are based upon the value of assets in their account(s), independent of the level of trading activity. By deciding to pay a fee based on asset values rather than commissions on transactions, a client’s fee may be higher than the cost of a commission alternative during periods of lower trading activity. RJFS is the custodian of Ambassador Accounts used by the Firm. The fee schedule for Ambassador Accounts is set by RJFS. While these fees are the maximum allowed by RJFS, the Firm has the discretion to use a lower fee suitable for each Client relationship.

The maximum fees under the Ambassador Fee Schedule are as follows:

Account Value	Asset-Based Fee
\$1 - \$1,000,000	2.25%
\$1,000,001 - \$2,000,000	2.00%

\$2,000,001 - \$5,000,000	1.75%
\$5,000,001 - \$10,000,000	1.50%
More than \$10,000,000	1.25%

For purposes of calculating and assessing asset-based fees for clients participating in the Ambassador Program, RJFS uses the term “Account Value”, which may be different than the asset value as reported on brokerage statements provided to clients. “Account Value” is defined as the total absolute value of the securities in the Ambassador Account, long or short, plus all credit balances, with no offset for any margin or debit balances. As a result, a conflict of interest exists as the Firm has an incentive to increase the use of margin in managing client accounts in order to increase the fees paid by the client. The annual asset-based fees associated with the aforementioned account programs are typically payable quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the Account Value as of the last business day of the previous calendar quarter and becomes due the following business day. If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from a client’s account on an individual business day in the first two months of the quarter, RJFS will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by the client. Notwithstanding the above \$100,000 adjustment threshold, RJFS reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination of deposits and withdrawals involve a client’s other fee-based advisory accounts. The client authorizes and directs RJFS, acting as custodian, to deduct asset-based fees from the client’s account. RJFS then remits the Firm’s portion of its fees to the Firm.

For asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Blue Square Asset Management may negotiate a fee rate that differs from the range set forth above.



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**Fee Discretion**

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Blue Square Asset Management may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

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**Additional Fees and Expenses**

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In addition to the advisory fees paid to Blue Square Asset Management, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, administration and other fees charged by RJA, RJFS, and their affiliates (collectively, Raymond James”) in connection with clients’ participation in the Ambassador Program, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

As discussed above, and in response to Item 12, below, the Firm will generally recommend the brokerage services of Raymond James & Associates, Inc. through the Wrap Program. The Wrap Brochure will disclose any additional expenses and fees for such brokerage services.

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**Direct Fee Debit**

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Clients provide Blue Square Asset Management with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Blue Square Asset Management.

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**Use of Margin**

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Blue Square Asset Management may recommend that certain clients utilize margin in the client’s investment portfolio or other borrowing. Blue Square Asset Management only recommends such borrowing for non-investment needs, such as bridge loans and other financing needs. The Firm’s fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

### Account Additions and Withdrawals

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

### Commissions and Sales Charges for Recommendations of Securities

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Clients can engage certain persons associated with Blue Square Asset Management (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Blue Square Asset Management.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Raymond James Financial Services, Inc. ("RJFS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons are entitled to a portion of the brokerage commissions paid to RJFS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Blue Square Asset Management may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with RJFS.

A conflict of interest exists to the extent that a Supervised Person of Blue Square Asset Management recommends the purchase or sale of securities through a brokerage relationship where that Supervised Person receives commissions or other additional compensation as a result of that recommendation (the "Brokerage Relationship"). The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Because the Supervised Persons may receive compensation in connection with the sale of mutual funds in the Brokerage Relationship, a conflict of interest exists as such Supervised Persons, may have an incentive to recommend more expensive mutual fund share classes to clients where such Supervised Persons earn more compensation with respect to the sale of such mutual fund share classes. Clients should understand that the investments made in the Brokerage Relationship *are not* receiving advisory services from the Firm. Therefore, the Firm does not have a fiduciary duty over the Brokerage Relationship recommendations. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such

others that Blue Square Asset Management, in its sole discretion, deems appropriate, Blue Square Asset Management provide its investment advisory services to certain clients on a fee-offset basis. In this scenario, Blue Square Asset Management offsets its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of RJFS.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Blue Square Asset Management does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

Blue Square Asset Management offers services to individuals, pension and profit sharing plans, other investment advisers, trusts, estates, charitable organizations, corporations and business entities.

### **Minimum Account Value**

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As a condition for starting and maintaining an investment management relationship, Blue Square Asset Management imposes a minimum portfolio value of \$100,000. Blue Square Asset Management may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. Blue Square Asset Management only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Blue Square Asset Management may aggregate the portfolios of family members to meet the minimum portfolio size.

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

### **Methods of Analysis and Investment Strategies**

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Blue Square Asset Management strives to protect and grow client capital through its proprietary and systematic approach to investing. The Firm developed its Dynamic Investing approach to provide clients

with a disciplined, systematic approach to addressing the challenges of capital market volatility. Blue Square Asset Management's Dynamic Investing approach is its primary tool to help manage clients' risk of loss.

Blue Square Asset Management regularly monitors every asset class in its clients' portfolios. The Firm's Dynamic Risk Indicator ("DRI" - a quantitative tool calculating the trailing daily moving average of each asset class) tells the Firm daily whether each asset class is in what Blue Square Asset Management characterizes as an uptrend or a downtrend. The DRI signals a new trend whenever an asset price moves above or below its 200-day moving average for a set period of time. Each DRI trend change triggers a systematic adjustment of Blue Square Asset Management client's exposure to that asset. When the Firm's DRI signals a new downtrend, Blue Square Asset Management moves a portion of the position to cash and/or short-term investment grade fixed income, to protect capital. When the Firm's DRI signals a new uptrend, Blue Square Asset Management moves a portion of the cash and/or short-term investment grade fixed income position back into the asset, to grow capital.

Blue Square Asset Management works closely with each client to identify the most appropriate asset allocation for that client. Blue Square Asset Management takes into account the client's current financial situation and their long-term needs and goals. The Firm also assesses each client's risk tolerance. Based on the Firm's assessment of client suitability, it recommends that most clients' assets be invested across one of Blue Square Asset Management's three primary portfolios: Growth, Balanced Growth, or Balanced. To help manage clients' tax issues the Firm also offers Balanced Growth Muni and Balanced Muni portfolios, replacing a portion of the taxable fixed income portion of our primary portfolios with tax-advantaged municipal bonds.

Blue Square Asset Management uses ETFs across all these portfolios to implement its asset allocation recommendations. Blue Square Asset Management then Dynamically Invests each ETF in each portfolio as described above.

Blue Square Asset Management also offers a hybrid version of each portfolio, using the Firm's Blue Square actively-managed US and International Core equity portfolios in place of a portion of the US and International ETFs. Blue Square Asset Management Dynamically Invests these Blue Square portfolios as well.

When appropriate, Blue Square Asset Management customizes a client's portfolio to incorporate previously existing investments that will remain in the client's portfolio and transfer to Blue Square management. Blue Square Asset Management dynamically manages risk and market exposure with these legacy assets using puts instead of cash and short-term fixed income when the Firm's DRIs indicate downtrends.

In the Firm's Blue Square actively-managed equity portfolios it uses a combination of quantitative and fundamental analysis to drive portfolio construction. This process typically involves the utilization of

enhanced quantitative screening tools to determine attractive equities based on a company's intrinsic value as compared to its current price in the market.

### **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Blue Square Asset Management's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Blue Square Asset Management will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

#### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

#### *Equity-Related Securities and Instruments*

The Firm takes long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of

substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, midcapitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

#### *Mutual Funds and ETFs*

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

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

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Management through Similarly Managed "Model" Accounts*

Blue Square Asset Management manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds, ETFs and/or other securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives,

securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

## **Item 9. Disciplinary Information**

Blue Square Asset Management has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **Item 10. Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Registered Representatives of a Broker-Dealer**

Certain of the Firm's Supervised Persons are registered representatives of RJFS and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### **Investment Adviser Representatives of Another Investment Adviser**

Certain of Blue Square Asset Management's Supervised Persons, in their individual capacities, are also investment adviser representatives with Raymond James Financial Services Advisors, Inc. ("RJFS Advisors") and in such capacity, recommend, on a fully-disclosed basis, the investment advisory services of RJFS Advisors. A conflict of interest exists to the extent that Blue Square Asset Management recommends RJFS Advisors' investment advisory services where Blue Square Asset Management's Supervised Persons receive a portion of the investment advisory fees or other additional compensation.

### **Licensed Insurance Agents**

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Blue Square Asset Management recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## Item 11. Code of Ethics

Blue Square Asset Management has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Blue Square Asset Management’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Blue Square Asset Management’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Blue Square Asset Management to request a copy of its Code of Ethics.



## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

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Blue Square Asset Management recommends that clients utilize the custody, brokerage and clearing services of RJFS, RJA, and their affiliates (together, and along with the other Raymond James entities discussed in this Disclosure Brochure, “Raymond James”) for investment management accounts. The final decision to custody assets with Raymond James is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Blue Square Asset Management is independently owned and operated and not affiliated with Raymond James. Raymond James provides Blue Square Asset Management with access to its institutional trading and custody services, which are typically not available to retail investors.

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

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

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

Blue Square Asset Management periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

**Software and Support Provided by Financial Institutions**

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Blue Square Asset Management receives without cost from Raymond James administrative support, computer software, related systems support, as well as other third party support as further described below (together ‘Support’) which allow Blue Square Asset Management to better monitor client accounts maintained at Raymond James and otherwise conduct its business. Blue Square Asset Management receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Raymond James. The Support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The Support benefits Blue Square Asset Management, but not its clients directly. Clients should be aware that Blue Square Asset Management’s receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm’s choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Blue Square Asset Management endeavors at all times to put the interests of its clients first and has determined that the recommendation of Raymond James is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Blue Square Asset Management receives the following benefits from Raymond James: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

**Raymond James Relationship and Conflicts**

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As described throughout this Disclosure Brochure, the Firm and certain of its Supervised Persons have a significant relationship with the Raymond James entities. The Firm recommends various investment advisory wrap programs (including the Ambassador Program) and the brokerage and custody services of Raymond James entities. Additionally, certain of the Firm’s Supervised Persons are registered representatives and investment adviser representatives of the Raymond James entities. Besides the conflicts of interest discussed above in this Item 12 and in Item 10, there are additional conflicts of interest as follows.

*Transition and Other Assistance from Raymond James*

To assist with his affiliation with Raymond James, Raymond James has provided Jay Bluestine with a package that includes the following benefits: (a) a significant transition loan and working capital loan, (b) payment of customer transition fees, (c) payment of Mr. Bluestine’s initial FINRA and state registration fees associated with his transition to Raymond James, (d) payment of airfare and accommodations expenses associated with Mr. Bluestine’s attendance at the Raymond James national conference, and (e) the services of a transition team. The transition assistance loan is forgivable provided that Mr. Bluestine meets certain quarterly production targets based on the amount of business generated for Raymond James in his capacity as a registered representative and an investment adviser representative of Raymond James. As such, the

receipt of such benefits by Mr. Bluestine creates conflicts of interest relating to Blue Square Asset Management's advisory business because it creates a financial incentive for the Firm and Mr. Bluestine to recommend that clients maintain their advisory or brokerage accounts with Raymond James and to conduct securities transactions through Raymond James. Blue Square Asset Management seeks to mitigate these conflicts of interest by evaluating Raymond James's services to determine that the recommendation to use Raymond James is based on the benefits that such services provide to clients, rather than the benefits received by the Firm and/or Mr. Bluestine. As set forth above, the Firm periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution, including its recommendation of Raymond James. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets with Raymond James through Blue Square Asset Management or to open a brokerage account with a Supervised Person as registered representative at Raymond James.

#### *Use of the Wrap Program*

The Firm can only recommend the Wrap Program if its Supervised Persons continue to be registered with RJFS. Furthermore, in order to act as an independent adviser with discretion while using the Wrap Program for clients, the Firm or its Supervised Persons must meet certain criteria including meeting certain minimum Raymond James production targets during the previous twelve months. For a more in-depth description of the relationship between the Firm, its Supervised Persons and Raymond James, clients should review the Wrap Brochure.

#### *Commissions or Sales Charges for Recommendations of Securities*

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of RJFS. These Supervised Persons are subject to FINRA Rule 3280 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless the registered representatives give prior notice of such transactions to RJFS and, in most circumstances, RJFS provides written consent. Therefore, clients are advised that certain Supervised Persons are restricted to conducting securities transactions through RJFS if they have not secured written consent from RJFS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from RJFS, these Supervised Persons are generally prohibited from executing securities transactions through any broker-dealer other than RJFS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

#### **Brokerage for Client Referrals**

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Blue Square Asset Management does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

**Directed Brokerage**

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

**Trade Aggregation**

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

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order

is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Item 13. Review of Accounts

### Account Reviews

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Blue Square Asset Management monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principal, and/or investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Blue Square Asset Management and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Blue Square Asset Management and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Blue Square Asset Management or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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In the event a client is introduced to Blue Square Asset Management by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Blue Square Asset Management's

investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Blue Square Asset Management's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Blue Square Asset Management is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

## **Item 15. Custody**

Blue Square Asset Management is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, Blue Square Asset Management will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Blue Square Asset Management.

## **Item 16. Investment Discretion**

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

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

## Item 17. Voting Client Securities

Blue Square Asset Management accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When Blue Square Asset Management accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-described in the Firm's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Blue Square Asset Management's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Blue Square Asset Management to request information about how the Firm voted proxies for that client's securities or to get a copy of Blue Square Asset Management's Proxy Voting Policies and Procedures. A brief summary of Blue Square Asset Management's Proxy Voting Policies and Procedures is as follows:

- Blue Square Asset Management has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will vote proxies according to Blue Square Asset Management's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Firm devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Blue Square Asset Management's vote on a particular solicitation but can revoke the Firm's authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Blue Square Asset Management maintains with persons having an interest in the outcome of certain votes, the Firm takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict. Should the Firm decide to utilize the services of a third-party provider to vote client proxies, the Firm will ensure that the third-party has adequate proxy voting policies and procedures in place and that the voting is being done in the best interest of the Firm's clients.

**Item 18. Financial Information**

Blue Square Asset Management is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.