

**FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure**

Item 1: Cover Page



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CRD # 105341

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This brochure provides information about the qualifications and business practices of Bullard McLeod & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at the phone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training. Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2: Material Changes

There have been no material changes made to Bullard McLeod & Associates, Inc.'s ("BMA") Part 2A Brochure since its last annual Amendment filing on March 26, 2018. However, BMA has enhanced disclosures located at Items 4, and 5 below regarding financial planning services and margin accounts. **ANY QUESTIONS:** BMA's Chief Compliance Officer, Thessaly Bullard, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.

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Item 4: Advisory Business

Established in 1983, Bullard McLeod & Associates, Inc. (“BMA”) is an investment adviser registered with the U.S. Securities and Exchange Commission. BMA renders portfolio management services (or investment management services) on both a discretionary and non-discretionary basis. The firm also provides financial planning services. The firm is principally owned and operated by President and Chief Compliance Officer Thessaly Bullard and Vice President and Chief Investment Officer Barnaby D. Bullard.

Financial Planning Services

To the extent requested, BMA will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. inclusive of its percentage investment management fee set forth at Item 5 below (at the discretion of BMA, exceptions may occur based upon assets under management, the request for a comprehensive written financial plan, advanced planning needs, and special projects, for which BMA may charge an additional hourly financial planning fee (*see* Item 5 below) and/or enter into a stand-alone financial planning agreement setting forth the terms and conditions of the engagement). BMA also provides financial counseling services and educational seminars on general financial planning topics to the employees of independent schools. These individuals may also retain BMA for individual financial planning consultations and portfolio management services.

BMA does not serve as an attorney, accountant, or insurance agency, and no portion of BMA’s services should be construed as legal or accounting services. Accordingly, BMA does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, BMA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, or insurance agents). Clients are under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation that we make. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** BMA, shall be responsible for the quality and competency of the services provided. It remains the client’s responsibility to promptly notify BMA if there is ever any change in their financial situation or investment objectives so that BMA may review, evaluate, and if applicable, revise its previous recommendations and services.

Investment Advisory Services

The client can engage BMA to provide discretionary investment advisory services on a fee-only basis as described below. Before BMA provides investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, BMA will allocate investment assets consistent with the designated investment objectives. BMA primarily allocates client investment assets on a discretionary basis among mutual funds and individual equity securities, including exchange-traded funds (“ETFs”) consistent with the client’s designated investment objective(s).

The firm’s investment advice extends to the following:

- Establishing investor goals (which include assessing the client’s specific investment goals, objectives, risk tolerances as distinguished from those of other clients, and reviewing all relevant financial data (including employment, income, tax bracket, family obligations, etc.))

- Developing a coherent investment policy;
- Defining investment goals and the strategies required to attain them;
- Making recommendations on asset allocation and selection of investments;
- Establishing guidelines for diversification and controlling risk;
- Providing a schedule for reporting investment performance; and
- Outlining procedures for reviewing and revising the investment policy.

BMA will honor any reasonable restrictions on investing in certain securities or types of securities imposed by the client in writing.

Investment Policy

BMA's priorities for account management include:

- Emphasize quality securities;
- Diversify investments in keeping with the particular client's investment plan;
- Limit each security position as a percentage of the total portfolio;
- Consider selling a portion of a position when it becomes too large a percentage of the portfolio;
- Establish and maintain research coverage on securities and monitor price behavior;
- Follow buy and sell points established by research;
- Achieve the lowest average cost by building each position gradually according to fundamentals and market conditions;
- Minimize transactions and commission costs through discounts or institutional rates; and
- Avoid speculation, aggressive trading, the new-issue market, options, tax shelters and illiquid securities.

Assets Under Management

As of December 31, 2018, the firm managed a total of \$128,321,892 in discretionary assets across 426 accounts.

Miscellaneous

Client Obligations. In performing its services, BMA shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. It remains the client's responsibility to promptly notify BMA if there is ever any change in their financial situation or investment objectives so that BMA may review, evaluate, and if applicable revise its previous recommendations and services.

eMoney™. In conjunction with the services provided by *eMoney*, BMA may also provide access to account aggregation services, which can incorporate all of the client's investment assets," including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). The client and/or their other advisors that maintain trading authority, and not BMA, shall be exclusively responsible for the investment performance of the Excluded Assets. In addition, *eMoney* also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by BMA. BMA does not provide investment management, monitoring or implementation services for the Excluded Assets. The client may engage BMA to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between BMA and the client.

Please Note: Retirement Rollovers-Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If BMA recommends that a client roll over their retirement plan assets into an account to be managed by BMA, such a recommendation creates a conflict of interest if BMA will earn new (or increase its current) compensation as a result of the rollover. When acting in such capacity, BMA serves as a fiduciary under the Employee Retirement Income Security Act (ERISA), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by BMA. BMA's Chief Compliance Officer, Thessaly Bullard remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by rollover recommendations.**

Use of Mutual Funds and ETFs. Most mutual funds and ETFs are available directly to the public. Prospective clients and clients can obtain many of the funds that may be used by BMA without engaging BMA as an investment adviser. However, if a prospective client determines to do so, they will not receive BMA's initial and ongoing investment advisory services. In addition to BMA's investment advisory fee described at Item 5 below, clients will also incur relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Charles Schwab and Fidelity. As discussed below at Item 12, BMA recommends that Schwab or Fidelity serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting securities transactions. The fees charged by Schwab and Fidelity are in addition to BMA's advisory fee referenced in Item 5 below.

Portfolio Activity. As part of its investment advisory services, BMA reviews client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when BMA determines that changes to a client's portfolio are neither necessary nor prudent. As indicated below, there can be no assurance that investment decisions made by BMA will be profitable or equal any specific performance level(s).

Private (non-publicly traded) Investment Funds. BMA purchases publicly traded securities (i.e., mutual funds, ETFs and individual equities) for its clients' accounts. Unless specifically requested to do so by the client, BMA does not provide advice regarding, nor does it recommend, private investment funds (i.e. funds that are not publicly traded on a recognized exchange) to its clients. Private investment funds involve various risk factors, including liquidity constraints, lack of transparency, and potential for complete loss of investment principal. Under no circumstances will BMA use its discretionary authority to purchase a private investment fund for any client. No client is under any obligation to purchase a private investment fund.

Transaction Costs Associated with Delivery of Account Statements. Clients are charged differing commission rates for transactions by Fidelity and Schwab that are dependent on whether clients have chosen to receive monthly custodial account statements electronically or hard-copy via U.S. mail. Mailed statements will result in higher commission rates. Unless clients advise BMA to the contrary, in writing, client's custodians will send trade confirmations and account statements via regular mail. In

other words, clients must opt-in to receive electronic statements in order to obtain the reduced commission rate.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by BMA) will be profitable or equal any specific performance level(s).

Item 5: Fees and Compensation

Fees for Investment Management Services:

BMA's fees are based on total assets under management in accordance with the following chart:

Assets Under Management	Annual Percentage Fee
On the first \$3,500,000	1.00%
On the next \$1,500,000	0.75%
In excess of \$5,000,000	0.50%

Fees are payable before service is provided unless negotiated otherwise or as described within the advisory agreement. Fees are paid quarterly in advance by invoice or paid by direct debit from client's designated account(s). Fees are based on the closing market value of the account(s) at the end of the preceding billing period as calculated by the custodian of record.

The method of fee payment (advance, arrears, direct debit, or invoice) is documented in the investment management agreement we maintain with each client.

Accounts below \$250,000 are more likely to hold mutual funds and ETFs than individual securities. These securities carry additional fees and expenses (including third party management fees) that are in addition to BMA's advisory fees. (see *General Information on Advisory Services / Fees*).

Fees for Individual Financial Planning Services:

Compensation is based on hourly rates of \$175 for individual clients, with the understanding that charges will not exceed a mutually agreed upon ceiling as documented in the financial planning agreement.

A deposit equal to one-half of the estimated fees is due before beginning work on the plan. Upon completion of the plan, remaining fees due are billed to each client. Planning fees are not directly debited from a client account; all planning fees are invoiced to each client and shall be paid by check. Planning fees are payable within 30 days from the time services are rendered.

BMA may be retained for ongoing financial planning on a quarterly basis under a flat fee arrangement. Because these are often customized services, the fees are fully negotiated and are based upon a negotiation between BMA and each client. There is no specific range of fees that are negotiated; however, the amount of the fee will be agreed upon in advance. Fees will be paid quarterly and are due within 30 days of billing.

Fees for Financial Counseling Sessions for Independent Schools:

Compensation is based on the number of employees taking advantage of the service. BMA charges \$225 per person (or family), plus travel costs. The schools are billed after services have been rendered, with fees due within 30 days of billing.

General Information on Advisory Services / Fees

1. Client accounts may be invested in mutual funds, or exchange traded funds (or similar securities). These securities carry additional fees and expenses (including third party management fees) that are in addition to BMA's advisory fees. Clients should consider this prior to signing an engagement agreement. Clients can obtain certain of these investments independently of a relationship with BMA.
2. BMA's fees are negotiable whether for investment management or financial planning services. With regard to investment management fees, the initial fee will be a pro rata share of the full quarterly charge computed by dividing the number of days that the service was provided during the quarter by a standard 90-day quarter.
3. Clients should expect to receive statements reflecting the underlying value and other details related to their accounts from the custodian of record on a monthly or quarterly basis depending upon the level of activity within the account. Accordingly, BMA strongly encourages each client to review these statements for accuracy and any changes reflected therein. Questions and/or concerns regarding these statements may be addressed directly with firm personnel.
4. Clients may request to terminate their Investment Management Contract or Financial Planning Contract with BMA, in whole or in part, by providing advance written notice. With regard to Investment Management, upon termination, any fees paid in advance will be prorated and any excess will be promptly refunded to the client, computed by dividing the number of days that the service was provided during the quarter by a standard 90-day quarter. With regard to Financial Planning, a refund of any unearned fees will be made based on the time and effort expended by BMA before termination. Further, if an agreement is terminated and fees are due to BMA, an invoice will be sent for services rendered and will be due within thirty (30) days of receipt.

Margin Accounts: Risks/Conflict of Interest. BMA does not recommend the use of margin for investment purposes. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. The broker charges the investor interest for the right to borrow money and uses the securities as collateral. Should a client determine to use margin, BMA will include the entire market value of the margined assets when computing its advisory fee. Accordingly, BMA's fee shall be based upon a higher margined account value, resulting in BMA earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since BMA may have an economic disincentive to recommend that the client terminate the use of margin. **ANY QUESTIONS: Our Chief Compliance Officer, Thessaly Bullard, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

Item 6: Performance-based fees and Side-by-Side Management

BMA does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets) or engage in any side-by-side management practices.

Item 7: Types of Clients

BMA provides investment advisory services to:

- Individuals (including high-net worth individuals);
- Trusts;
- Estates;
- Corporations and small business entities;
- Pensions and/or profit sharing plans; and
- Non-profit organizations.

BMA also provides financial planning services to individuals and employees of independent schools. BMA does not require a minimum to establish an investment advisory account.

BMA, in its sole discretion, may charge a lesser investment advisory fee and/or a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). **Please Note:** As result, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** BMA's Chief Compliance Officer, Thessaly Bullard, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

BMA's methods of analysis and investment strategies include:

- *Fundamental:* Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history. BMA will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the price of the security.
- *Cyclical:* Cyclical analysis is a time-based assessment, which incorporates past and present performance to determine future value. The primary risk of using cyclical analysis is that past performance cannot guarantee future results.
- *Charting and Technical:* Charting consists of preparing a technical analysis using diagrams to illustrate various patterns or progressions in market or account movement. Similar to charting, technical analysis employs the use of statistical models and quantitative methodologies to evaluate performance and value over a specified period of time. Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients, and may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that BMA will be able to accurately predict such a reoccurrence.

The types of investments recommended are:

- Equity securities (including exchange-listed securities, securities traded over-the-counter and foreign issuers through ADRs (American depository receipts traded on US exchanges));
- Corporate debt securities;
- Certificates of deposit;
- Municipal securities;
- Investment company securities (including variable life insurance, variable annuities, mutual fund shares and ETFs); and
- U.S. Government securities and participation or interests in client transactions.

The main sources of research information used by BMA include:

- Financial newspapers and magazines;
- Inspections of corporate activities;
- Research materials prepared by others;
- Corporate rating services;
- Timing services;
- Annual reports;
- Prospectuses; and
- Filings with the SEC and company press releases.

BMA uses the following strategies in its investment advisory business:

- Long-term purchases (securities held longer than one year); and
- Short-term purchases (securities sold within a year).

Risk of Loss:

All investments are subject to the risk of loss. The value of securities in the portfolio will go up and down. Consequently, the overall valuation of the account may decline and clients could lose money. The stock market is subject to significant fluctuations in value as a result of political, economic, and market developments. If the stock market declines in value, the portfolio is likely to decline in value.

Because of changes in the financial condition or prospects of specific companies, the individual stocks selected by BMA may decline in value, causing the account to decline in value. Investments are not deposits in a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short-term trading methods are used, the cost of more frequent trades can often incur more expense than that of a more conservative or long-term purchase approach. Questions regarding these risks and/or increased costs may be directed to BMA and its representatives.

Item 9: Disciplinary Information

Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to provide clients with disclosure as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note however, that neither BMA nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10: Other Financial Industry Activities and Affiliations

BMA and its personnel do not maintain any affiliation with other financial services-related entities or engage in any other financial industry-related activities.

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

Code of Ethics:

As required by Rule 204A-1 of the Investment Advisers Act of 1940, BMA has adopted a Code of Ethics. The firm has set guidelines for professional standards under which all employees are to conduct themselves. These standards are designed to protect client interests at all times. Further, each employee must demonstrate a commitment to the firm's fiduciary duties of honesty, good faith, and fair dealing with clients.

Each employee deemed an *access person* is expected to strictly adhere to these guidelines, as well as the procedures for the approval and reporting of personal securities transactions and violations of the Code. This will serve to educate such persons regarding appropriate activities. An *access person* is any employee with access to any client-related non-public or personal information. Violations of the Code are subject to disciplinary action. A copy of the Code will be provided to any client (or prospective client) upon request (Please contact Ms. Thessaly Bullard at (518) 694-8400).

Participation of Interest in Client Transactions:

For their own accounts, firm personnel may purchase/sell securities that have been similarly recommended to clients. To the extent that such a practice may be deemed a conflict of interest, the firm has adopted policies and procedures relative to the practice of personal trading by firm personnel. These policies and procedures include:

- Requirements for access employees to pre-clear transactions, including gifts of securities, in any eligible individual security bought or sold during 5 consecutive trading days equal or above \$60,000;
- Same-day blackout provisions for employee personal transactions involving individual securities which are being bought or sold by clients. The same day blackout provision for employees does not apply to mutual funds.

Statement Policy and Procedure on Insider Trading:

In accordance with Section 204A of the Investment Advisers Act of 1940, BMA has also established procedures to prevent the misuse of material, nonpublic information by BMA, its officers, directors or employees. These procedures include a prohibition on the use of any such information either personally or on behalf of any client, no matter how innocently the information may have been acquired.

Reporting Requirements:

In addition to access employees, officers and directors must submit quarterly reports of their own equity holdings to the Chief Compliance Officer for review. They must also report their personal securities transactions, trading errors, and client complaints on a quarterly basis and prepare a complete disclosure of personal securities accounts for members of their households and any outside business activity upon hire and annually thereafter.

Item 12: Brokerage Practices

In the event that the client requests that we recommend a broker-dealer/custodian for execution and/or custodial services, BMA generally recommends that investment accounts be maintained at Charles Schwab & Co. or Fidelity, Inc. Prior to engaging BMA to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with us setting forth the terms and conditions under which BMA shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that BMA considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the transaction fee is reasonable. 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although BMA seeks competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment advisory fee.

Non-Soft Dollar Research and Additional Benefits: Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, BMA can receive from *Schwab* or *Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by BMA may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by us in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist BMA in managing and administering client accounts. Others do not directly provide such assistance, but rather assist BMA to manage and further develop its business enterprise.

BMA clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* or *Fidelity* because of this arrangement. There is no corresponding commitment made by us to *Schwab*, *Fidelity*, or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

BMA's Chief Compliance Officer, Thessaly Bullard, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest.

Directed Brokerage BMA recommends that its clients utilize the brokerage and custodial services provided by Schwab and/or Fidelity. BMA generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such

client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and BMA will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by BMA. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs BMA to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through BMA. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Order Aggregation Transactions for each client account generally will be effected independently, unless BMA decides to purchase or sell the same securities for several clients at approximately the same time. BMA may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among BMA's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. BMA shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13: Review of Accounts

Investment Advisory Accounts:

All accounts are reviewed on a rotating basis by the reviewing committee. The committee consists of senior management, trading, research, and account management personnel. Such reviews are intended to verify that asset allocations and investment management decisions are in line with each client's investment policy and afford the individual account managers the opportunity to share particular issues and analyses with one another. The committee also reviews its understanding of client objectives, risk tolerance, and changes in personal circumstances that may relate to the portfolio under review.

The performance of individual securities is reviewed by a committee made up of BMA's professional staff. Members of the committee discuss the factors affecting portfolio structure, including market climate, the economy, international issues, interest rates, individual securities and their outlook, inflation and other issues of a similar nature. The appropriateness of securities for a client may be reconsidered if they have reached predetermined price objectives or if there has been a change in fundamentals. The price action of every security is followed on a daily basis, and a deviation of the price of a security from its expected performance may trigger an individual review.

Individual portfolio managers update investment policies as needed and independently review the client portfolios they manage. Account managers review, among other issues: portfolio performance, withdrawals and additions, and portfolio segmentations and allocation.

Reports on advisory accounts are normally provided monthly by the institution having custody of the account. Such reports include, among other items:

- A list of individual securities;

- Market value of individual securities;
- Dividends and interest to date; and
- Market value of the portfolio.

In addition, BMA reports quarterly to each client on the performance of the portfolio and on their assessment of current economic conditions and other matters that may have an impact on near-term future performance, except where it is agreed with the client that less frequent (usually semi-annually) reports will suffice. At year-end, clients are provided with a full report, which includes, depending on the custodian, such matters as dividends, interest and the capital gains/losses resulting from transactions throughout the year.

Financial Planning Clients:

The frequency and scope of review of a financial plan is negotiated individually with the client at the beginning of the financial planning relationship. Typically, it is agreed that any regular review should at least include discussion of current asset allocation according to investment goals, and an evaluation of possible alternatives.

Financial Counsel for Independent Schools:

Depending on the particular employee, the financial counseling session may not involve a review of a financial plan or a discussion of investments. A review will typically consist of a follow up written report presented to the employee. Employees of the school who are seeking a more substantial review may at any time enter into an individual financial planning agreement on the firm's standard "fee only" basis.

Reviewers:

The individual financial planning clients and financial counseling arrangements with independent schools are overseen by the Director of Financial Planning.

Financial planning clients are encouraged to contact the firm with any material changes to their financial situation, as such changes may impact their financial plan. Conversely, investment management clients with such changes should contact the firm immediately, particularly where such changes may adversely impact the status of their investment accounts.

Item 14: Client Referrals and Other Compensation

As indicated at Item 12 above, BMA receives from Schwab, Fidelity and/or others, without cost (and/or at a discount), support services and/or products. BMA's clients do not pay more for investment transactions effected or assets maintained at Schwab or Fidelity (or others) as result of these arrangements. There is no corresponding commitment made by BMA to Schwab, Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **BMA's Chief Compliance Officer, Thessaly Bullard, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflicts of interest these arrangements create.**

BMA does not compensate unaffiliated individuals or entities for prospective client introductions.

Item 15: Custody

BMA shall have the ability to deduct its advisory fee from the client's custodian account. Clients are provided with written transaction confirmation notices, and a written summary account statement, directly from the account custodian (i.e., Schwab Fidelity, etc.) at least quarterly. **Please Note:** To the extent that BMA provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by BMA with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of BMA's advisory fee calculation.

Item 16: Investment Discretion

Portfolios are generally managed on a discretionary basis, each according to the client's stated objectives. The firm's discretionary authority extends to the following:

- The securities to be bought or sold for a client's account;
- Amount of securities to be bought or sold for a client's account; and
- The broker or dealer to be used for a client securities transaction.

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. It remains the client's responsibility to promptly notify BMA if there is ever any change in their financial situation or investment objectives so that BMA may review, evaluate, and if applicable revise its previous recommendations and services.

Non-discretion means that the firm must obtain a client's specific consent (verbal or in writing) on a transaction-by-transaction basis. As a result, clients must be available to BMA during market hours. If BMA cannot reach its clients to approve recommended transactions, BMA will not place such transactions on a client's behalf and the client's account may experience loss or gain due to rapidly moving markets.

Item 17: Voting Client Securities

Rule 206(4)-6 of the Investment Advisers Act of 1940 requires SEC-registered advisers with proxy voting authority to disclose a summary of their proxy voting policies and offer to deliver to clients their complete proxy policy. Due to the inherent conflict of interests which arise from this authority, it is BMA's policy to have custodians of client accounts send all proxy voting material directly to the client.

Accordingly, BMA does not review specific proxy voting material as a matter of course, but only upon a request for advice. In instances in which the firm has negotiated an exception to its normal policy (to agree to vote proxies), the proxy voting policy is negotiated with the client and must be made part of a written contract.

Item 18: Financial Information

Investment advisers are required to disclose certain information to clients about their financial condition. BMA has no financial commitment that could impair its ability to meet contractual and fiduciary commitments to clients. The firm has not been the subject of a bankruptcy proceeding.

Additional Information

Privacy Policy:

BMA prohibits the disclosure of any client-related non-public or personal information to third parties unless authorized by the client or as otherwise provided by law.

Business Continuity Planning:

In the event of a disruption in service, the firm has implemented a comprehensive business continuity plan to quickly resume normal business operations.

A copy of the privacy policy and/or the business continuity plan may be obtained by contacting Tessaly Bullard at (518) 694-8400.

ANY QUESTIONS: BMA's Chief Compliance Officer, Tessaly Bullard, remains available to address any questions regarding this Part 2A.