

Registered As: Essex Advisory, LLC | CRD No. 312140



Form ADV Part 2A – Firm Disclosure Brochure

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This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Essex Advisory (“the firm”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (201) 377-5540 or by email at pgupta@essexadvisory.com. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about the firm to assist you in determining whether to retain the firm. Additional information about Essex Advisory is available on the SEC’s website at www.adviserinfo.sec.gov by searching our CRD number 312140.

Item 2 – Material Changes

Essex Advisory is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure. Annually, a complete Disclosure Brochure will be offered to clients along with a summary of material changes, if any, within 120 days from the firm's fiscal year-end.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching the firm name or CRD number 312140. A copy of this Disclosure Brochure may be requested at any time, by contacting (201) 377-5540 or by email at pgupta@essexadvisory.com.

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Item 4 – Advisory Business

Firm Information

The firm is organized in New Jersey as a limited liability company to assist individual investors with financial planning and asset management. The entity registered as an investment advisor with the SEC in 2021. This disclosure brochure provides information regarding the qualifications, business practices and details of the advisory services and the applicable fees.

Principal Owners

Prakash Gupta (CRD No. 5784605) serves as the Managing Member, President, Wealth Advisor, and Chief Compliance Officer. Mr. Gupta is 100% owner with over 10 years of industry experience.

Advisory Services Offered

Essex Advisory provides financial planning and fee-based investment advisory services primarily to individual clients and high-net worth individuals. Services are also available to businesses and financial institutions. Accounts are managed based on the individual goals, objectives, time horizon, and risk tolerance of each client.

Investment strategies and recommendations are tailored to the individual needs of each client but generally consist of an asset allocation consistent with:

1. **Income with Capital Preservation.** Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
2. **Income with Moderate Growth.** This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
3. **Growth with Income.** This investment objective emphasizes modest capital growth with some focus on generation of current income.
4. **Growth.** This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
5. **Aggressive Growth.** This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer timer horizon.

At no time will Essex Advisory accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement on a discretionary or non-discretionary basis.

- Essex Advisory does not specialize in a particular type of advisory service.
- Essex Advisory does not provide investment advice only with respect to limited types of investments.
- A minimum investment amount is not required to open or maintain an account.
- Advisory services are tailored to the individual need of each Client.
- Clients may place reasonable restrictions on investing in certain types of securities.

Wrap Fee Program

A wrap fee program is a comprehensive advisory account with a single fee that covers a bundle of services, such as, portfolio management, advice, and investment research as well as trade execution, custody and reporting fee. The fee is not based directly upon advisory services or the execution of transactions.

- Essex Advisory, LLC does not participate in a wrap fee program.

Retirement Plan Consulting Services

Investment Advisor Representatives assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or non-discretionary advisory services. Investment Advisor Representatives perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or investments.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations for consideration and selection by client about specific

investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.

- Training for the members of the Plan Committee with regard to their service on the Committee, including education and consulting with respect to fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, Representatives may provide participants with information about the Plan, which includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Assistance with investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis, and includes information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, record keeping, participant education, participant communication and/or other services provided with respect to the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, Representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or obtain participant loans, Investment Advisor Representatives do not provide any individualized advice or recommendations to the participants regarding these decisions.

If a client elects to engage the firm and our Investment Advisor Representatives to perform ongoing investment monitoring and ongoing investment recommendation services in the client agreement, such services will constitute “investment advice” under Section 3(21)(A)(ii) of ERISA. Therefore, the firm and our IAR will be deemed a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the firm and our IARs are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not “investment advice” under ERISA, and therefore, the firm and our IARs will not be a “fiduciary” under ERISA with respect to those other services.

ERISA Fiduciary

Such services provided as an Investment Advisor Representative are subject to the Investment Advisers Act of 1940 (“Advisers Act”), and the advisor is a fiduciary under the Advisers Act with respect to such services. In addition, if client elects to engage an Investment Advisor Representative to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute “investment advice” under Section 3(21)(A)(ii) of ERISA. Therefore, the IARs will be deemed a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services.

Clients should understand that to the extent the investment advisor representative is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not “investment advice” under ERISA and therefore, the investment advisor representative will not be a “fiduciary” under ERISA with respect to those other services. From time to time the Investment Advisor Representative may make the Plan or Plan participants aware of other services available from Investment Advisor Representative that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the investment advisor representative is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the Investment Advisor Representative.

Retirement Plan Rollovers

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted
2. Rollover the assets to his/her new employer's plan, if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Cash out the account value, which has significant tax considerations

The firm provides educational services pertaining to retirement plan assets that could potentially be rolled-over to an IRA managed by the firm. Education is based on a particular client's financial circumstances. Essex Advisory has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a client's best interest and acting accordingly.

Client Account Management

Prior to engaging Essex Advisory to provide investment advisory services, each Client is required to enter into an investment advisory agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client.

- There is no account minimum required to open or maintain an account.

Assets Under Management

The firm is a newly registered investment adviser. Assets under management will be amended at least annually as of December 31st.

Assets under Management	
Discretionary	\$0.00
Non-Discretionary	\$0.00
Total	\$0.00

Item 5 – Fees and Compensation

Investment Management

Fees are paid quarterly in advance or arrears as selected on the asset management agreement and will generally not exceed 2% of assets under management unless the scope, complexity, amount of time or expertise required warrant a higher fee.

- Client will receive quarterly statements from the Custodian that provides details of the advisory fees.
- The firm will not have the authority or responsibility to value portfolio securities.
- If a client terminates an engagement before the billing period, a pro-rated fee calculation will be applied prior to releasing the funds.
- Asset management fees are exclusive of and in addition to, brokerage fees, transaction fees, and other related costs and expenses charged by the custodian or the fund companies.

Financial Planning

The fee for financial planning can be based on an hourly or fixed rate depending on the nature of the planning. Fixed fees are generally paid 50% in advance and 50% upon completion. Hourly fees are generally charged as they incur.

- Hourly Fee: \$200 to \$400
- Fixed Fee: \$500 - \$5,000

The applicable fee is determined by the scope and complexity of a particular client's financial situation as well as the amount of time and expertise required. In some cases a fee greater or lesser than the typical fee range may be warranted.

Mutual Fund Share Class Disclosures

Essex Advisory strives to select the lowest cost share class available; however, certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as support services and "other expenses" such as legal, accounting and the administrative functions of the custodian. When selecting a mutual fund, Investment Advisor Representatives have a fiduciary duty to choose the share class that helps manage the overall fee structure of the account. The entire fee structure includes such fees as the asset management fee, the expense ratio and ticket charges.

- Mutual funds typically offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore usually less expensive.
- Investment Advisor Representatives will consider investing client funds in 12b-1 fee-paying share classes even when a lower-cost share class is available as appropriate to account for the overall fee structure and tax considerations as well as attributes of a fund not available for lesser fees.

Other Fees and Expenses

Clients can incur fees or charges imposed by third parties, other than the firm, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the executing broker/dealer. The fees charged by the firm are separate and distinct from custodial and execution fees.

- All fees paid to the firm are separate and distinct from the expenses charged by mutual funds and exchange-traded funds. These fees and costs are described in each fund's prospectus.

A Client could invest directly, without the services of Essex Advisory, but would not receive the advisory services to assist in determining which products or features are most appropriate for their financial situation and objectives. Accordingly, the Client should review the fees charged by the fund[s] and the fees charged by the firm to fully understand the total costs.

Compensation for Sales of Securities

Essex Advisory does not receive commission compensation for advisory services.

Termination

A contract between Essex Advisory and a Client may be cancelled at any time with thirty (30) days prior written notice. Clients will be given this brochure form ADV Part 2A, forty-eight hours in advance of signing an agreement or they will have five business days to unconditionally cancel the agreement.

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

Essex Advisory does not accept performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle).

Essex Advisory also do not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

Item 7 – Types of Clients

The advisory services offered by Essex Advisory are available for individuals, individual retirement accounts (“IRAs”), banks and thrift institutions, pension and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 (“ERISA”), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

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

Essex Advisory emphasizes continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, it is subject to review and if necessary, rebalanced based upon the client’s individual needs, stated goals and objectives.

Essex Advisory uses multiple forms of research to analyze financial data and market conditions such as the general financial health of a company, and/or the analysis of management or competitive advantages, past market data (primarily price and volume), business cycles as well as patterns and trends.

Essex Advisory will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Essex Advisory will buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

Risk of Loss

Investing in securities involves certain investment risks. Securities can fluctuate in value or lose value up to the entire principal amount invested. Clients should be prepared to bear the potential risk of loss. Essex Advisory will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance.

- Essex Advisory monitors economic indicators to determine if adjustments to strategic allocations are appropriate.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis. The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations. Clients should be aware of the following types of risks that apply to investing and are encouraged to discuss the specific risks applicable to their account holdings:

- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

- **Interest Rate Risk** – the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** – the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and

mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.

All investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

Types of Investments

Essex Advisory generally manages client portfolios that consist of mutual funds, Exchange Traded Equities (ETFs) and individual securities.

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
 - **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.
 - **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide invest or liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
 - **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund’s concentration in the real estate industry.
- **Equity** – An investment that generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity

securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.

- **Exchange Traded Funds (ETFs)** – An ETF is a portfolio of securities invested to track a market index similar to an index mutual fund but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount; and as a result, investors pay more or less when purchasing shares and receive more or less than when selling shares. The supply of ETF shares is regulated through a mechanism known as creation and redemption that involves large specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of a particular ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange. The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs has a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which may be a significant proportional cost not incurred by mutual funds.

Additional types of investments will be considered per client for asset allocation and risk management purposes.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Essex Advisory or any of its Supervised Persons.

Item 10 – Other Financial Industry Activities and Affiliations

Broker/Dealer Affiliation

Investment Advisor Representatives of Essex Advisory, LLC are also a registered representative of Essex Securities, LLC, a registered broker-dealer (CRD No. 46605), member FINRA / SIPC. In the separate capacity as a registered representative commission compensation is received for securities transactions.

A conflicts of interests exists because the commission compensation for securities transactions create an incentive to recommend products based on the compensation rather than then a client's best interests. This conflict of interest is mitigated by a fiduciary duty to always act in a client's best interest.

Neither Essex Advisory nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

Code of Ethics

Essex Advisory has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with the firm (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. The firm and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of the firm's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest.

- To request a copy of our Code, please contact us at (201) 377-5540 or by email at pgupta@essexadvisory.com.

Personal Trading with Material Interest

Essex Advisory does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company.

- Essex Advisory does not have a material interest in any securities traded in Client accounts.

Personal Trading in Same Securities as Clients

Essex Advisory allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures.

- As noted above, we have adopted a Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

Personal Trading at Same Time as Client

Supervised Persons may not purchase or sell any security immediately prior to or immediately after a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Item 12 – Brokerage Practices

Essex Advisory recommends that clients establish brokerage accounts with the Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (Schwab), a member FINRA/SIPC broker/dealer to maintain custody of clients' assets and to effect trades for their accounts.

Essex Advisory is independently owned and operated and not affiliated with Schwab. Schwab provides Essex Advisory with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

- Schwab also makes available to Essex Advisory other products and services that benefit Essex Advisory but may not benefit its clients' accounts. These benefits can include national, regional educational events organized and/or sponsored by Schwab Advisor Services.
- Other potential benefits can include occasional business entertainment of personnel of Essex Advisory by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Schwab Advisor Services also makes available to Essex Advisory other services intended to help Essex Advisory manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Essex Advisory by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Essex Advisory.

While, as a fiduciary, Essex Advisory endeavors to act in its clients' best interests, the recommendation / requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Essex Advisory of the availability of some of the foregoing products and services and other arrangements and

not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a conflict of interest.

- 1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Custodians makes available various products and services designed to assist the firm in managing and administering client accounts. These services include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitation of trade execution (and research reports or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making. These support services are provided based on the overall relationship without a minimum production level or value of assets held with the custodian.

 - Consequently, it is not the result of soft dollar arrangements or any other express arrangements that involve the execution of client transactions as a condition to receive the services.
- 2. Brokerage Referrals** - Essex Advisory does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
- 3. Transaction Fees** -The Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodian enables Essex Advisory to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodian's commission rates are generally discounted from customary retail commission rates.

 - The commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker/dealers.
- 4. Best Execution** – 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 we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

- 5. Aggregating and Allocating Trades** - The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order and 3) difficulty of execution. Essex Advisory does not aggregate purchases and sales for various client accounts but orders can be aggregated by the custodian.

Item 13 – Review of Accounts

For those clients to whom Essex Advisory provides investment advisory services, account reviews are conducted on an ongoing basis by the investment advisor representative. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative. In addition, each Client relationship shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may also be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Essex Advisory if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan.

- Additional reviews may be triggered by material market, economic or political events.

Clients will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client can also establish electronic access to the Custodian's website so they can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

Item 14 – Client Referrals and Other Compensation

Essex Advisory is a fee-based advisory firm, that is compensated by its Clients to provide investment advice and not from any investment product or someone other than the Client. Essex Advisory does not receive commissions or other economic benefit or compensation from product sponsors, broker/dealers or any unrelated third party.

Client Referrals from Solicitors

Essex Advisory does not engage paid solicitors for Client referrals.

Item 15 – Custody

Essex Advisory does not accept or maintain actual custody of funds or securities. A qualified custodian is responsible to providing clients with trade confirmations, tax forms and quarterly statements that include account balance(s).

- Clients are advised to carefully review the information provided by the custodian and notify their Investment Advisor Representative with any questions or if such information is not received.

Item 16 – Investment Discretion

Clients can determine to engage Essex Advisory to provide investment advisory services on a discretionary basis. Prior to Essex Advisory assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Essex Advisory as the client's attorney and agent in fact.

- Discretionary authority grants Essex Advisory full authority to buy, sell, or otherwise effect investment transactions.

Item 17 – Voting Client Securities

Essex Advisory does not accept proxy-voting responsibility for Clients. Clients will receive proxy statements directly from the Custodian. Essex Advisory can however assist in answering questions relating to proxies.

- Client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither the firm, nor its management, have any adverse financial situations to disclose and have not been subject to a bankruptcy or financial compromise.

- The firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.