

## Sentinel Pension Advisors Inc.

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## FORM ADV PART 2A Firm Brochure

This brochure provides information about the qualifications and business practices of Sentinel Pension Advisors Inc. If you have any questions about the contents of this brochure, please contact SPA at 781-914-1450. 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.

Additional information about Sentinel Pension Advisors Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Sentinel Pension Advisors Inc. is 109901.

Sentinel Pension Advisors Inc. is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any other state securities authority does not imply a certain level of skill or training.



March 30, 2020

## **II. MATERIAL CHANGES**

### **Annual Update**

This brochure is filed as the annual amendment for the form ADV Part 2. The annual update was March 30, 2020. The Material Changes section of this brochure will be updated annually, and when material changes occur since the previous release of the Firm Brochure.

### **Material Changes Since the Last Update**

As explained in more detail in Item 4 below, On January 2, 2020, Sentinel Pension Advisors Inc. ("SPA") and Alliance Benefit Group Portfolio Services Inc. ("ABG PS"), an SEC-registered investment advisory firm in Bingham Farms Michigan merged advisory practices. Clients of ABG PS were formally notified of the merger and assigned their advisory agreements to SPA.

### **Brochure Availability**

Sentinel Pension Advisors Inc. ("SPA") offers or delivers information about our qualifications and business practices to clients on at least an annual basis. SPA will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of the business' fiscal year. SPA may further provide other ongoing disclosure information about material changes as necessary.

Sentinel Pension Advisors Inc. will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, this brochure may be requested by contacting Sentinel Pension Advisors Inc. at 781-914-1450.

This brochure is also available on Sentinel Pension Advisors Inc.'s website, [www.sentinelgroup.com](http://www.sentinelgroup.com), free of charge.

Additional information about Sentinel Pension Advisors Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Sentinel Pension Advisors Inc. who are registered, or are required to be registered, as investment advisor representatives of Sentinel Pension Advisors Inc. Sentinel Pension Advisors Inc. will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.



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#### IV. INVESTMENT ADVISORY BUSINESS

Sentinel Pension Advisors Inc. ("SPA") was established in July 1998 and is an SEC Registered Investment Advisor with its principal place of business in Wakefield, Massachusetts. The Registrant is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, SPA is a wholly-owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2018, investment vehicles affiliated with Stone Point Capital, LLC ("Stone Point") had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2018, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

On January 2, 2020, Sentinel Pension Advisors Inc. ("SPA") and Alliance Benefit Group Portfolio Services Inc. ("ABG PS"), an SEC-registered investment advisory firm in Bingham Farms Michigan merged their advisory practices. ABG PS clients assigned their advisory agreements to SPA. ABG PS has ceased doing business as an investment advisory firm and soon will file an ADV-W with the SEC.

SPA provides investment advisory services to individual investors and institutional clients such as corporate, trust, estate and retirement accounts, as well as pension and profit sharing plans. SPA is an affiliate of Sentinel Benefits & Financial Group, and a subsidiary of Focus Operating, LLC, which is a subsidiary of Focus Financial Partners, LLC.

As of January 31, 2020, SPA's discretionary assets under management were \$1,532,085,295. in 1616 accounts. Non-discretionary assets under management were \$5,922,453,778, in 532 accounts. The total assets under management were \$7,454,539,073 in 2148 accounts.

SPA offers advisory services to individual investors and corporate clients, including individual portfolio advisory services, managed account services "The SPA Wrap Fee Program", and retirement plan advisory services. The SPA Investment Committee manages all individual investment models as well as the SPA Wrap Fee Program based on the stated objectives of the model or program guidelines. Individual Advisory Representatives manage individual portfolios based on the client's individual needs and objectives. At all times the client's interests are placed ahead of the interests of SPA and SPA Advisory Representatives. SPA receives a portion of the advisory or management fee for services rendered.

## Education & Business Standards

SPA requires those involved in determining or providing investment advice to clients to meet certain general standards of educational and business experience. With respect to persons who are involved in SPA's provision of advice, SPA requires all such individuals to have a college degree in an applicable area and/or equivalent industry experience.

In addition, SPA requires successful completion of any applicable examinations. SPA also encourages its personnel to obtain applicable professional designations.

SPA has an investment committee comprised of SPA portfolio managers, management, and employees of SPA. The investment committee meets on at least a quarterly basis to discuss, in general terms, SPA's risk management, asset allocation, investment strategy, and performance. The investment committee may also invite others to serve as advisors or consultants to the committee.

## SPA Investment Advisory Services

### A. Individual Investors

#### *Individual Advisory Services*

SPA provides Investment Supervisory and Advisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Prior to opening an account, SPA determines an investor's profile by obtaining the appropriate financial and personal information from the investor including investment objectives, risk tolerance, and investment time horizon, as well as any restrictions (as agreed upon between SPA and the client) that the client wishes to impose upon the management of the portfolio.

Through the data gathered on an investor's profile and personal discussions in which goals and objectives based on a client's particular circumstances are established, SPA develops a detailed investment plan and recommends an initial asset allocation best suited to achieve both portfolio and investment objectives. Typically, under this style of management, SPA will allocate the client's assets among a portfolio of various mutual funds and exchange-traded funds ("ETFs") taking into consideration the overall management style the client selects. The majority of investment vehicles are mutual funds, however some clients have the ability to self-direct investments in their retirement plans. They may also choose other investment vehicles in their brokerage accounts. The individual funds and ETFs will be primarily selected by SPA on the basis of each fund's performance history and investment objectives. Clients will have the opportunity (as agreed upon between SPA and the client) to restrict the types of investments which may be made on the client's behalf.

An investment advisor can assist clients in their decision to implement the investment plan that most closely matches their investment objectives and strategy.

Adjustments will be made to client portfolios periodically based on market conditions, client instructions or changes in client objectives. SPA will manage advisory accounts on either a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

To help SPA provide accurate and timely management of your invested assets, SPA requires clients to establish an account with a designated "qualified custodian," as that term is defined in Rule 206(4)-2(d)(6) of the Investment Advisers Act of

1940. SPA does not have custody of any client funds or securities. The custodian of the client's funds and securities is generally Pershing, LLC (Member NYSE/FINRA/SIPC) ("Pershing"), Fidelity Investments Brokerage, LLC (Member NYSE/FINRA/SIPC) ("Fidelity Investments"), or Charles Schwab & Co., Inc. (Member NYSE/FINRA/SIPC) ("Schwab").

The custodian maintains the underlying records for the assets held in client accounts. SPA will not serve as the custodian for client advisory assets. Clients are solely responsible for paying all the fees and charges of the custodian, as stated in your agreement with the custodian.

### ***Managed Account Services "The SPA Wrap Fee Program"***

The SPA Wrap Fee Program (the "Program") is a fee-based program sponsored by SPA. Under the Program, SPA assists clients to develop, monitor, and manage a custom-tailored investment portfolio to help achieve the client's investment objectives. The client grants discretionary authority over the client's assets to SPA to buy, sell and trade investment vehicles which may include no-load and select load- waived mutual funds, ETFs and other securities approved for the Program (including stocks, bonds and options) and to liquidate previously purchased load mutual funds, stocks, bonds, options, ETFs and other investments; except for the fees related to the Program itself, clients pay no transaction fees or commissions. Thus, an account with more frequent trades, will, generally, pay less overall fees, than in an account type that would charge transaction fees and commissions to clients. Conversely, an account with less frequent trading may incur higher fees in this Program, than if it were invested in another program.

As more fully described below in "Methods of Analysis, Investment Strategies and Risk of Loss," SPA follows a disciplined research and evaluation process to determine appropriate investments for each model portfolio based on its target allocation. Along with this disciplined approach to managing client portfolios, SPA has the expertise and analytical tools to choose from thousands of funds and fund families with a wide range of investment managers. This provides SPA with the flexibility to analyze leading investments in each asset class and develop risk based portfolios designed to develop investment strategies used by three model portfolios offered by the Program.

Each portfolio is created with SPA's in depth analysis and screening criteria. There are currently three model portfolios - moderate, balanced, and growth—so clients can select the portfolio that will work best for their investment goals. An investment advisor can assist clients in their decision regarding which portfolio most closely matches their investment strategy.

SPA requires an account minimum of \$25,000 for participation in the Program. However, SPA, in its sole discretion, may reduce the account minimum based upon certain criteria including, among others, anticipated future additional assets, dollar amount of assets to be managed, related accounts and account composition.

The custodian of the client's funds and securities under the Program (the "Custodian") is generally Pershing, LLC (Member NYSE/FINRA/SIPC) ("Pershing"). SPA does not have custody of any client funds or securities under the Program. By participating in the Program, each client instructs SPA to direct all orders for the purchase and sale of securities and other investments for the client's account to Sentinel Securities, Inc., an SEC-registered broker-dealer (Member FINRA/SIPC) ("SSI") and SPA affiliate, as introducing broker for the client's account.

SSI maintains a clearing arrangement with Pershing, LLC, a division of Bank of New York ("Pershing") whereby SSI clears securities transactions on a fully disclosed basis through Pershing as an introducing broker, and Pershing holds customer funds and/or securities on behalf of Sentinel Securities brokerage customers for purposes of the Securities Investor Protection Act.

### ***ManagedChoice (Institutional Intelligent Portfolios®)***

Sentinel Pension Advisors Inc. offers an automated investment program, ("the Program"), through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of exchange-traded funds and/or mutual funds and a cash allocation. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. Sentinel has branded this Program as ManagedChoice (Institutional Intelligent Portfolios®).

We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that can help us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). Any clients that use the Program will receive the Program Disclosure Brochure from Schwab which includes a more detailed description and additional information.

There are two portfolio strategies—Total Return Taxable and Total Return Municipal. Each strategy represents 5 unique portfolios across the risk spectrum from conservative to aggressive that follow that particular type of investment strategy.

Clients are assigned a portfolio based on the answers to the Investor Profile Questionnaire (IPQ). The IPQ helps determine the recommended portfolio based on the stated goals, time horizon, and risk profile. An investment advisor can assist clients in their decision regarding which portfolio most closely matches their investment strategy.

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

### ***Financial Planning Services***

#### **FINANCIAL PLANNING AND FINANCIAL CONSULTING**

SPA offers various types and levels of financial planning and consulting services. The



level and type of services will vary among the Advisory Representatives and will depend on the needs of the client. Services may include, but not be limited to, the following examples of services.

- ▶ Retirement Planning
- ▶ General, Segmented and Comprehensive Financial Planning
- ▶ Educational Planning
- ▶ Cash Flow Analysis
- ▶ Estate Planning
- ▶ Budget Planning
- ▶ Tax Planning
- ▶ Insurance Needs Analysis
- ▶ Business Continuity, Succession and Exit Planning
- ▶ Asset Allocation Services
- ▶ Executive Planning
- ▶ Corporate Benefit Consulting
- ▶ Other planning and consulting services as requested by the client and agreed to by the Advisory Representative

SPA will gather financial information and history from clients, which may include, among other things, retirement and financial goals, investment objectives, investment horizon, financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information required by SPA in order to provide the investment advisory services requested.

As stated above, the level and type of services will depend on the needs of the client. Depending on the services requested, clients may receive a written analysis, summary or plan. One or more meetings may be necessary with the client and may involve other professionals, as invited and agreed to by the client, such as attorneys and/or certified public accountants.

Planning and consultative services are based on the client's financial situation at the time and on financial information disclosed by the client to SPA. Clients are advised that plans may contain certain assumptions that may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. SPA cannot offer any guarantees or promises that clients' financial goals and objectives will be met. Further, clients must continue to review any plan or analysis and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. Should a clients' financial situation or investment goals or objectives change, clients must notify SPA promptly of the changes.

Clients are advised that fees for planning and/or consultative services are strictly for the planning services. Therefore, clients may pay fees and/or commissions for additional services obtained, such as asset management or products purchased, such as securities or insurance.

## GENERAL DISCLOSURES

A conflict of interest may exist between the interests of SPA and/or its Advisory Representatives and the interests of the client. SPA and Advisory Representatives offer financial planning and investment advisory services for a fee and also offer various securities products for which they may be paid a commission. The SPA Code of Ethics requires SPA Advisory Representatives to put their clients' interests first, and the SPA

Compliance Department monitors for inappropriate account activity. If an Advisory Representative is found to have received commissions where the client should have had the transaction placed in the client's advisory account, SPA will take action to correct the situation, including reversing the transaction and the commission and possible sanctions against the Advisory Representative.

Further, the securities products available through SPA may be limited to certain products that have been reviewed and made available for offering through the broker dealer with which Advisory Representatives may be registered representatives.

Lower fees for comparable services may be available from other sources. Material conflicts of interest disclosed to the client in writing via this Form ADV Part 2 could cause SPA or its Advisory Representatives to not render unbiased and objective advice.

The level of experience of Advisory Representatives will vary. Additionally, the fees charged by various Advisory Representatives will not exceed the fee schedules disclosed herein but may vary. Therefore, clients receiving similar services may pay higher or lower fees than another client depending on their Advisory Representative. A higher fee is not necessarily commensurate with the experience of the Advisory Representative.

## **B. Retirement Plan Sponsors and Investment Advisors**

SPA provides investment advisory consultant services and retirement plan investment management to advisors, clients, for itself and on behalf of the plan and plan participants.

### ***Investment Advisory Consulting Services***

SPA provides services to assist plan sponsors, plan trustees, investment committees and financial advisors to meet ERISA fiduciary responsibilities under 404(c). These consulting services range from the development of Investment Policy Statements to the delivery Participant Communication services.

**Investment Policy Statement** – SPA will develop a Statement of Investment Policy for your retirement plan that provides the guidelines for selecting and evaluating investments offered in your plan. SPA will work with the firm to create an Investment Policy Statement consistent with ERISA. The Policy will document the plan's objectives and set into writing the plan's investment policies regarding investment selection, monitoring, benchmarking, and de-selection.

**Manager Selection** – SPA's investment manager research and selection process is a fully integrated process designed to select asset managers for each asset class and style to be represented within the plan. Our quantitative screening ensures that each manager meets standards for style consistency, risk adjusted performance, consistency of performance and low expenses. Our experienced analysts further assess the philosophy behind the numbers, the process by which it is implemented and most importantly—the people who manage the portfolios.

**Monitor & Measure** – SPA will establish and manage a process to select, de-select, and monitor investments offered to plan participants. SPA will evaluate the plan's current offering by benchmarking the investment return, risk, and expenses to its peers and relative indices, by providing an assessment of asset class overlap or gaps,

and by evaluating overall investment offering to the plan's current investment policy statement.

**Trustee & Investment Committee Meetings** – SPA meets regularly with the Plan Trustees & Investment Committees to document the performance of the plan's investments and to make any recommendations that may be appropriate for changes. These meetings are documented and become part of the plan's due diligence file.

**Lifestyle Portfolio Management** – SPA will develop and manage portfolios designed to meet specific risk and return characteristics. These models will be comprised mainly of investments offered to plan participants. SPA may also serve as the advisor on these lifestyle portfolios in an advisory or sub-advisory arrangement under ERISA § 3(21) and ERISA § 3(38). (Detailed in the Retirement Plan Investment Management Services section below.)

**Participant Communication** – SPA will provide group meetings and individual participant meetings to help participants achieve better financial results. The schedule, timing and number of meetings shall be determined prior to contract acceptance.

### ***Retirement Plan Investment Management Services***

SPA provides services to assist plan sponsors, plan trustees and investment committees to meet their ERISA fiduciary responsibilities. SPA provides these services under ERISA § 3(21) and ERISA § 3(38). Under these sections, clients can engage SPA to provide investment advisory services. By doing so, SPA shares fiduciary responsibility with plan trustees and investment committees as it relates to the assets SPA is under agreement to provide investment management or advisory services. As a part of a client's fiduciary team, SPA provides the investment expertise to implement the plans investment policies and objectives.

### **SPA acting as an advisor under ERISA § 3(21)**

For the purposes of ERISA § 3(21), SPA does not exercise any discretionary authority or control respecting management of the plan or management or disposition of its assets or have any discretionary authority or discretionary responsibility in the administration of the plan. Therefore, SPA is not a "fiduciary" pursuant to ERISA except to the extent it renders "investment advice" to the plan within the meaning of section 3(21) of ERISA and Department of Labor regulations there under. The participants are responsible for any individual investment selections made under the plan.

Under ERISA § 3(21), SPA acts as the advisor making investment recommendations, but it is ultimately up to the plan sponsor to decide whether and how to implement these recommendations.

Furthermore, under ERISA § 3(21), the participants are responsible for any individual investment selections made under the plan.

### **SPA acting as an investment manager under ERISA § 3(38)**

For the purposes of ERISA § 3(38), SPA serves as the investment manager, who exercises discretionary authority with regard to the model portfolios it develops and with regard to the mutual funds and other investment vehicles that it selects for investment under the Plan. Therefore, SPA is not a "fiduciary" pursuant to ERISA except to the extent it renders "investment advice" to the plan within the meaning

of section 3(38) of ERISA and Department of Labor regulations there under. The participants are responsible for any individual investment selections made under the plan.

Under ERISA § 3(38), SPA acts as the advisor with discretionary authority with regard to the investments managed for the plan, allowing the plan sponsor to transfer liability for selecting, monitoring, and replacing the investment options to SPA, the investment manager.

Furthermore, under ERISA §3(38), the participants are responsible for any individual investment selections made under the plan.

### C. Termination of SPA Investment Advisory Services

#### ***Individual Investment Advisory Agreements***

##### I. INVESTMENT MANAGEMENT AGREEMENT

Client may terminate the Investment Management Agreement without penalty within 5 business days after the execution of the Agreement. Subsequently, either client or SPA may terminate this Agreement at any time upon written notice to the other party. If termination occurs prior to the end of a calendar billing period, a pro-rata refund of unearned fees will be made to the client. In the event of termination of the Agreement, SPA shall have no obligations whatsoever to recommend any action with respect to or to liquidate the assets in the Account. SPA shall be entitled to be paid its fees in connection with its services provided hereunder for the period to such termination.

##### II. WRAP-FEE PROGRAM CLIENT AGREEMENT

Either client or SPA may terminate the Client Agreement effective as of the end of a quarter upon advance written notice to the other prior to the end of such quarter. In the event of termination of the Client Agreement, SPA shall have no obligations whatsoever to recommend any action with respect to or to liquidate the assets in the client's account. SPA shall be entitled to be paid its fees in connection with its services provided under the Client Agreement for the period to such effective termination. Thus, SPA may withhold a pro-rata portion of the pre-paid advisory fees for bona fide advisory services actually rendered during the quarter prior to such effective termination. Notwithstanding the foregoing, pursuant to applicable laws, SPA will refund excess advance payment to the extent that bona fide services have not been provided during such period. In addition, each client is required to notify SPA in the event that the client intends to withdraw assets in the client's Program account to a level below the account minimum.

Upon termination of any account, any prepaid unearned fees will be promptly refunded based upon the number of days remaining in the quarter after the termination date, and any earned unpaid fees will be due and payable.

##### III. MANAGEDCHOICE (INSTITUTIONAL INTELLIGENT PORTFOLIOS®)

Either client or SPA may terminate the Client Agreement upon written notice to the other party. In the event of termination of the Client Agreement, SPA shall have no obligations whatsoever to recommend any action with respect to or to liquidate the assets in the client's account. SPA shall be entitled to be paid its fees in connection with its services provided under the Client Agreement for the period to such effective termination. Thus, SPA may withhold a pro-rata portion of the prepaid advisory fees

for bona fide advisory services actually rendered during the quarter prior to such effective termination. Notwithstanding the foregoing, pursuant to applicable laws, SPA will refund excess advance payment to the extent that bona fide services have not been provided during such period.

Upon termination of any account, any prepaid unearned fees will be promptly refunded based upon the number of days remaining in the quarter after the termination date, and any earned unpaid fees will be due and payable.

### ***Consulting and Retirement Plan Advisory Services Agreements***

#### **I. INVESTMENT ADVISORY CONSULTING SERVICES**

#### **II. INVESTMENT ADVISORY 3(21) AGREEMENT**

#### **III. INVESTMENT ADVISORY 3(38) AGREEMENT**

An Investment Consulting Services or Retirement Plan Advisory agreement may be terminated without penalty by either party providing sixty (60) days advance written notice to the other party. However, any fees due to SPA for services provided prior to date of termination will be payable upon receipt of invoice. Upon termination of an Agreement, SPA will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account, but will cooperate with the plan sponsor to facilitate the orderly transition of the Account(s).

## **V. FEES AND COMPENSATION**

All fees are subject to negotiation. The factors considered are the size of the account and the type of assets managed. The specific manner in which fees are charged by SPA varies by the Advisory program chosen.

The advisory fees paid to SPA represent fees for management of your account and are separate from any other fees and expenses charged by other parties; therefore, the advisory fees shown in this ADV represent only the fees paid to SPA and do not reflect operating expenses and other costs charged by the mutual funds, or other products you may be invested in and it is important you understand that these expenses and costs are ultimately borne by you, as the shareholder. In addition, mutual funds may charge contingent deferred sales charges ("CDSC") on withdrawals. SPA is not responsible for any CDSC charges incurred through SPA's management of your portfolio or for any transaction costs incurred while managing your assets. A complete description of all fees and expenses of the securities in which you are invested are contained in the relevant prospectuses. SPA also advises you to carefully review your custody agreement with your custodian as there may be custodial fees and other service fees charged to you by your custodian.

You may request that related accounts be combined in order to reduce the advisory fee charged. SPA reserves the right to waive the advisory fee for certain accounts and assets. The standard fee schedules and minimum account sizes indicated for the investment management services identified below are negotiable and as a result clients with similar assets have differing fee schedules and pay different fees. If an account is terminated prior to the end of a calendar billing period, a pro-rata refund of unearned fees will be made to the client.

Many investment management client relationships predated the implementation of SPA's current fee schedule. For this reason, clients' fees may be higher or lower than those reflected in the foregoing schedule or be subject to additional or differing terms.

Moreover, SPA clients originating from firms who merged into SPA (see Item 4A) will have fee schedules different than SPA's standard fee schedule.

The same or similar investment advisory services may be available from other investment advisors for a lower fee. The advisory fee (which includes transaction costs) may be more or less costly than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the account, the level of brokerage, and other fees that would be payable if the client obtained the services available under the program individually.

SPA's investment advisory services and associated fees are as follows:

A. Individual Advisory Services, Managed Account Services "The SPA Wrap Fee Program"

I. INDIVIDUAL ADVISORY SERVICES PROGRAM

The Advisory Services fee is based on a percentage of the Client's total assets under management with SPA. The Program fee is calculated and charged on a quarterly basis in advance (although in some cases, the Program fee may be calculated and charged in arrears instead).

<u>Asset Value (Annualized)</u>	<u>Annual Fee</u>
\$25,000 to \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$4,999,999	0.85%
\$5,000,000 and greater	0.60%

All fees are negotiable subject to the specifics of each client and situation. Clients must pay the fees in advance. The applicable Advisory Fees referenced above include fees and charges for the services of SPA and advisory representatives. The fee does not include transaction costs charged by the custodian, brokerage charges, IRA and Qualified Retirement Plan annual account and termination fees which are set forth in the client agreement between SSI, Fidelity Brokerage, LLC, or Charles Schwab & Co., Inc. and the client.

The first payment is due upon execution of the SPA Investment Advisory Agreement and will be assessed pro-rata in the event the agreement is executed at any time other than the first day of the calendar quarter. Subsequent payments are due and will be assessed on the first day of each quarter based upon the value of assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith. Pursuant to applicable laws, SPA will refund excess advance payments to the extent that bona fide services have not been provided during such period.

II. MANAGED ACCOUNT SERVICES "THE SPA WRAP FEE PROGRAM"

Clients pay a single asset based fee. The SPA Wrap Fee Program fee will be set forth in the Client Agreement and is based on a percentage of the client's total account assets under management in the Program. The Program fee is calculated and charged on a quarterly basis in advance (although in some cases, the Program fee may be calculated and charged in arrears instead). Client's must pay the fees in advance.

The current range of Program fees generally charged for client accounts in the Program is set forth below:

<u><b>Asset Value (Annualized)</b></u>	<u><b>Annual Fee</b></u>
\$25,000 to \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$4,999,999	0.85%
\$5,000,000 and greater	0.60%

SPA may, in its sole discretion, negotiate the Program fee paid by the client depending on considerations, including, but not limited to, the size of the client's account, the amount of time that the client has had an account or accounts with SPA and/or Sentinel Securities, the total amount of business that the client conducts through SPA and/or Sentinel Securities, the types of investments and services provided, anticipated future additional assets and other relevant criteria.

Under the Program, an investor receives both investment advisory services and the execution, clearing and settlement of securities brokerage transactions for a single specified fee. Pershing, LLC and Envestnet provide Program Clients with quarterly billing under its automated billing system at no additional fee to Program Clients. An investor's participation in the Program may cost the investor more or less than purchasing such advisory, brokerage and other services separately. In addition, the Program fee may be higher or lower than that charged by sponsors of other comparable wrap fee programs. Pursuant to applicable laws, SPA will refund excess advance payments to the extent that bona fide services have not been provided during such period.

The client may be responsible for paying certain charges in addition to the Program fees. Such charges include, but are not limited to, charges imposed directly by a mutual fund purchased for the client's account, which shall be disclosed in the mutual fund's prospectus (e.g. fund management fees and other fund expenses), certain deferred sales charges on previously purchased mutual funds, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, charges by the Custodian to deliver statements and reports in paper format, postage and overnight shipping, IRA account maintenance fees and other fees on securities transactions mandated by law. SPA does not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investments you hold.

### III. MANAGEDCHOICE (INSTITUTIONAL INTELLIGENT PORTFOLIOS®)

For clients participating in the Institutional Intelligent Portfolios® program, also referred to internally as ManagedChoice (Institutional Intelligent Portfolios®), SPA calculates the fee and remits to Schwab to process all client billing in advance on a quarterly basis. For the initial bill, the fee will be charged in arrears using the balance on the last trading day of the calendar quarter in which the account was first traded. Schwab shall deduct the fee directly from the clients' account maintained at the qualified custodian.

Clients do not pay fees or brokerage commissions or other fees to Charles Schwab as part of the Program. Charles Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. The annual fee for investment management services provided through the ManagedChoice Institutional Intelligent Portfolios® Program will be charged as a percentage of assets under management at a fee rate of 0.50%.

### B. Investment Advisory Consulting Services/ Retirement Plan Investment Management Services

## I. INVESTMENT CONSULTING SERVICES ADVISORY FEES\*

The annual fee will be invoiced quarterly, in arrears, based on the market value of the funds under advisement on the last business day of the previous quarter.

### **Market Value of Plan Assets**

All Assets

*Minimum Annual Fee*

### **Advisory Fee**

0.09%

\$1,250

## II. RETIREMENT PLAN 3(21) INVESTMENT ADVISORY FEES\*

The annual fee will be invoiced quarterly, in arrears, based on the market value of the funds under advisement on the last business day of the previous quarter.

### **Market Value of Plan Assets**

First \$2,500,000

Next \$2,500,000

Next \$10,000,000

Next \$10,000,000

Over \$25,000,000

*Minimum Annual Fee*

### **Advisory Fee**

0.35%

0.25%

0.15%

0.10%

0.05%

\$7,500

## III. RETIREMENT PLAN 3(38) INVESTMENT ADVISORY FEES\*

The annual fee will be invoiced quarterly, in arrears, based on the market value of the funds under advisement on the last business day of the previous quarter.

### **Market Value of Plan Assets**

First \$2,500,000

Next \$2,500,000

Next \$10,000,000

Next \$10,000,000

Over \$25,000,000

*Minimum Annual Fee*

### **Advisory Fee**

0.40%

0.30%

0.20%

0.15%

0.10%

\$5,000

\*All fees may be negotiated based on the specific situation of the plan and the asset levels and expected growth in the assets. In some circumstances, clients may be charged an hourly rate (negotiated) for certain plan related project work. The fees above reflect the current fee schedule. Existing clients may have a different fee schedule.

SPA may also receive certain fees from its custodial platforms and other revenue sharing compensation from mutual fund providers for providing shareholder services and administrative services for mutual funds purchased under the Plan. Any and all compensation and other revenue sharing payments received by SPA from these custodial platforms and/or mutual funds are used to offset administrative services and recordkeeping fees billed by SPA to its clients (as well as to offset fees charged by the Plan custodian or other professional service providers). Quarterly invoices sent to SPA clients illustrate total fees payable to SPA less revenue sharing income. To the extent revenue sharing income exceeds the fee payable, SPA will at the Plan Sponsor's discretion, set up a revenue recapture account or place the income into the applicable client's Plan.

Please note that the fees listed above are reflective of services provided by Sentinel



Pension Advisors Inc. only. The client may instruct Sentinel to work with a sub-advisor who will research, select and recommend securities for inclusion within the retirement plan. For instances in which a sub-advisor is utilized for this purpose, the sub-advisor may charge an additional fee and the overall fees may be higher than those listed above. All fees and services, including those of the sub-advisor, are detailed in the service agreement between all parties associated with the plan.

Corporate Clients may terminate planning and/or consulting advisory services by providing sixty (60) days advance written notice to SPA. Any fees due to SPA for services provided prior to the date of termination will be payable upon receipt of invoice.

### C. FINANCIAL PLANNING/CONSULTING FEE SCHEDULE

Financial Planning/Consulting Fees are separate from advisory fees discussed elsewhere. Financial Planning/Consulting Fees are negotiable. Each Advisory Representative will negotiate a financial planning/consulting fee with the client and quote a fee prior to any services being rendered. Advisory Representatives may charge based on a flat or hourly fee. The fee will be based on several factors including but not limited to: the services requested by the client, the complexity of the client's situation, the number of meetings required to complete the requested services, number of parties involved or other professionals, areas of review and analysis, staff resources, travel, time and research needed, and savings to the client as a result of the services. Further, Advisory Representatives may charge different fees based on the Advisory Representative and the level of experience.

Hourly fees will range up to \$250 per hour. Typically, clients will be provided an estimate of the amount of time needed for the services. A deposit in the amount of one-half (1/2) of the estimated fee may be requested in advance. A client shall not be required to prepay more than \$500 and six or more months in advance of the service. Alternatively, clients may negotiate with the Advisory Representative to pay hourly fees in arrears on a monthly basis promptly upon receipt of an invoice from the Advisory Representative. Clients may terminate, with written notice to SPA, planning and/or consulting advisory services within five (5) business days after entering into the advisory agreement, without penalty. After five (5) business days of entering into the financial planning advisory agreement, clients may terminate upon SPA's receipt of a client's written notice to terminate. Prepaid fees will be refunded to clients based on time spent by SPA multiplied by the hourly rate. After completion and presentation of the services no refunds will be issued.

## VI. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SPA does not charge performance-based fees or fees based on a share of capital gains on or capital appreciation of the assets of a client. In addition, SPA does not engage in side-by-side management (management of client accounts simultaneously with management of firm accounts).

## VII. TYPES OF CLIENTS

SPA provides portfolio management services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

SPA requires a minimum account value of \$25,000 for Individual Advisory Services and Managed Account Advisory Services "The SPA Wrap Fee Program." All fees

are negotiable subject to the specifics of each client and situation. ManagedChoice (Institutional Intelligent Portfolios®) requires a minimum of \$5,000 to invest in the program. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

SPA does not have a minimum for assets under management for the Investment Advisory Consulting Services/ Retirement Plan Investment Management Services. All minimums and fees are negotiable subject to the specifics of each client and situation.

## VIII. METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

SPA follows a disciplined research and evaluation process to determine appropriate investments for each model portfolio based on its target allocation. Along with this disciplined approach to managing client portfolios, SPA has the expertise and analytical tools to choose from the available universe of funds, collective investment trusts and mutual fund families with a wide range of investment managers. This provides SPA with the flexibility to analyze leading investments in each asset class and develop risk based portfolios for both individual clients offered through the SPA Wrap Fee Program and Life Style Model Portfolios offered to Retirement Plan Clients.

The foundation of our long-term investment management approach is our expertise in research and disciplined methodology. SPA's investment research process identifies investment managers that are more consistent long-term risk-return performers in their respected asset classes. Using both quantitative and qualitative analysis, SPA screens to identify the best money managers across a broad spectrum of asset classes. SPA's objective is to create a unique roster of investment managers to play specific roles in our clients' portfolios.

SPA's selection process employs a bottom up approach, concentrating first on each specific asset class and then on the many investment managers that specialize there. Through a series of evaluation steps, SPA narrows its selection to those investment managers believed to meet SPA's strict sustainable investment criteria.

SPA's research team begins with a review of the investment option's rate of return, relative risk measurements, management experience, and expenses as compared to its peer group.

SPA's focus is on finding investment managers and strategies that have demonstrated a consistent, long term track record. Going beyond the numbers, SPA's investment research team also considers a manager's qualitative factors such as reputation for ethical practices, style consistency, and administrative infrastructure.

SPA relies primarily on internal resources to develop strategy and generate investment ideas. However, SPA does utilize several third-party research sources to both validate its thinking and to contrast SPA's ideas with other industry experts. When it becomes necessary to make a final decision, SPA will conduct direct interviews with investment managers to obtain further information.

Listed below are samples of the key criteria tracked in SPA's proprietary screening process.

### **Quantitative Factors:**

1. Returns vs. peer funds: 1, 3, and 5 year total returns

2. Consistency of returns
3. Risk-adjusted measures of return: Sharpe Ratio, Information Ratio, Up/Down Capture, Alpha, Batting Average
4. Volatility vs. Peers: Standard deviation of return
5. Expense ratio analysis

**Qualitative Factors:**

1. Management tenure and personnel
2. Investment process / decision making procedures
3. Style consistency
4. Portfolio or sector concentration
5. Fiduciary matters
6. Information availability

The quantitative screening of each Morningstar fund category significantly reduces the number of potential investments. From there, the qualitative standards are applied to create our preferred fund lineup as well as building a strong “bullpen” of secondary fund choices should our preferred funds close to new investors or fall in our ranking system for any reason. For important information pertaining to the risks associated with investing in the various SPA Advisory programs, please review the section titled “Risk Factors” at the end of this section.

**SPA’s Investment Selection Process:**

The SPA investment committee follows a disciplined research and evaluation process to determine appropriate investments for each portfolio based on its target allocation.

1. *Mutual Funds/Exchange-Trade Funds (ETFs)/Collective Investment Trusts (CIT)\**: The process begins with analysis of thousands of mutual funds and exchange-traded funds (ETFs).

2. *Quantitative Analysis*: The field is narrowed through quantitative analysis, which compares each fund to its peer group in areas such as investment style, track record, past performance, expense, risk adjustment, and turnover of investments within the fund.

3. *Qualitative Analysis*: The selection is further narrowed through qualitative analysis, which looks at less tangible aspects such as the experience and skill of the investment manager and their research, analysis and decision-making process.

4. *Core Line Up*: Finally, the investment committee reviews all the information and selects the best mix of investments that will be included in the each model portfolio.

5. *Ongoing Reviews*: Performance of each portfolio and the underlying funds are regularly monitored to assess that the investments continue to meet SPA’s strict criteria. The committee also monitors market conditions and, if needed, rebalances the portfolios to return them to their target asset allocation.

For important information pertaining to the risks associated with investing in the various SPA Advisory programs, please review the section titled “Risk Factors” at the end of this section.

*\*CITs are available to institutional / retirement plans only.*

### **Strategic Portfolio Segments:**

Depending upon the model strategy managed by SPA, each investment within the portfolios is generally assigned to one of the following segments:

1. *Fixed-Income*: This segment is designed for stability and income generation. The managers generally have the freedom to invest across multiple sectors of the bond market with the goal of generating strong long-term total returns.
2. *U.S. Equity*: This segment will typically include domestic equity investments across the full range of market cap (small to large companies) and styles (value and growth). Weightings to individual managers will vary according to its market expectations.
3. *Foreign Equity*: This segment will typically include foreign equity investments across the full range of market cap (small to large companies) and styles (value and growth). Weightings to individual managers will vary according to its market expectations. Emerging market investments and sector funds specializing in certain countries or regions are eligible in this segment.
4. *Alternatives/Other*: This segment is devoted to funds emphasizing non-traditional strategies or strategies that are not typically placed in one of the prior three classifications. Typically, the funds provide diversification across a number of unique asset classes not represented elsewhere in our portfolios. The managers generally strive for results with low correlation to traditional equity and fixed income strategies. Funds in this segment normally have more flexibility to change their holdings based on market conditions. This potentially provides the fund managers greater opportunity to be exposed to more favorable sectors of the market, while attempting to keep volatility low. Funds specializing in a single asset class or industry sector may be included within this segment of the portfolio as well.

Whether SPA is developing investment strategies for individual investment portfolios offered through the SPA Wrap Fee Programs, the ManagedChoice (Institutional Intelligent Portfolios<sup>®</sup>) Program, or for the Lifestyle Model Portfolios offered to Retirement Plan Clients, the disciplined approach is adhered to. The main difference is that the universe of investments may be smaller for the Retirement Plan Clients versus Individual Clients. This is due to the fact that the investments offered within a retirement plan often are limited to those in which the plan sponsor, plan trustee or investment committee approve.

For important information pertaining to the risks associated with investing in the various SPA Advisory programs, please review the section titled "Risk Factors" at the end of this section.

### **Individual Advisory Services**

SPA determines an investor's profile by obtaining the appropriate financial and personal information from the investor including investment objectives, risk tolerance, and investment time horizon, as well as any restrictions (as agreed upon between SPA and the client) that the client wishes to impose upon the management of the portfolio.

Through the data gathered on an investor's profile and personal discussions in which goals and objectives based on a client's particular circumstances are established, SPA develops a detailed investment plan and recommends an initial asset allocation best suited to achieve both portfolio and investment objectives. Typically, under this style of management, SPA will allocate the client's assets among a portfolio of various mutual funds taking into consideration the overall management style the client selects. The

majority of investment vehicles are mutual funds; however some clients have the ability to self-direct investments in their retirement plans. They may also choose other investment vehicles in their brokerage accounts. The individual funds will be primarily selected by SPA on the basis of each fund's performance history and investment objectives.

Adjustments will be made to client portfolios periodically based on market conditions, client instructions or changes in client objectives. SPA will manage advisory accounts on either a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

## **Risk Factors**

Client understands, acknowledges and agrees that no assurance has been or can be given to client that client will achieve his or her investment objectives by accepting or implementing in whole or in part any investment strategy and/or allocation or any specific recommendation by SPA to purchase or sell any security or other investment or participate in the SPA Wrap Fee Programs, ManagedChoice (Institutional Intelligent Portfolios®) or Lifestyle Model Portfolio Management.

Securities markets fluctuate substantially over time. All investments in securities include a risk of loss of money invested (principal) and any unrealized profits (i.e., profits in the account that have not been liquidated, sometimes called "paper profits"). In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets SPA manages that may be out of our control. SPA cannot guarantee any level of performance or that clients will not experience a loss of account assets.

SPA does not represent, warrant or imply that the services or methods of analysis used by SPA can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by SPA will provide a better return than other investment strategies.

The managers of the mutual funds and ETFs that SPA selects to participate in the Program or as part of a Lifestyle Model Portfolio may employ the same or substantially similar investment strategies, and may hold similar portfolios of investments, in other investment products or programs that they manage, such as managed account programs. Such other products or programs may be available through SPA or elsewhere. The costs and the services relating to the other products or programs in which these strategies are offered will differ.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. Managed account programs should be considered a long-term investment and thus long-term performance and performance consistency are the major goals.

There is no assurance that the no-load mutual funds, select load-waived mutual funds and ETFs will perform in any particular manner. Past performance of any mutual fund, ETF or asset class is no guarantee of future performance. Clients should carefully read the prospectus of each mutual fund and ETF before they invest.

No guarantees can be offered that client's goals or objectives will be achieved. Further,

no promises or assumptions can be made that the advisory services offered by SPA will provide a better return than other investment strategies.

Client has been informed, understands and acknowledges that unless stated otherwise in a supplemental disclosure document related to a specific investment or program, the investments in client's Program account are not insured by the Federal Deposit Insurance Corporation (FDIC), are not deposits with or the obligation of or guaranteed by SPA or the Custodian or any of their affiliates, are subject to investment risk, including possible loss of principal invested, and that past performance is no guarantee of future results.

Risks associated with investing in mutual funds: Equity based mutual funds are subject to risks similar to those of stocks, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. International mutual funds are subject to fluctuations due to changes in a currency's exchange rate and political risk. Fixed income mutual funds (bond funds) fluctuate with the bond market. Fixed income risks include:

- ▶ Credit risk: the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner
- ▶ Interest rate risk: the risk that the Market value of the bonds will go down when interest rates go up
- ▶ Prepayment risk: the risk that a bond will be paid off early

Risks associated with investing in ETFs: equity based ETFs are subject to risks similar to those of stocks, and fixed income based ETFs are subject to risks similar to those of bonds. Investment returns will fluctuate and are subject to market volatility, so that investor's shares, then redeemed or sold, may be worth more or less than their original cost. Foreign-based ETFs have unique and greater risks than domestic-based ETFs.

Risks associated with investing in CITs: Investments in CITs are not insured or guaranteed by any bank, the FDIC, or any other government entity. CITs are subject to risks similar to those of mutual funds, stocks, and fixed income assets. Investment returns will fluctuate and are subject to market volatility, so that investor's units, when redeemed or sold, may be worth more or less than their original cost.

The computer systems, networks and devices used by SPA and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future."

## **IX. DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

## **X. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The principal executive officers of SPA are also pension consultants and/or officers of Sentinel Benefits Group, Inc. ("SBG"), a third party administration firm for pension plans. SBG is affiliated with SPA through common ownership and control. SPA clients can choose to use the pension administration services of SBG. Fees for SBG's pension administration services are in addition to SPA advisory fees. No SPA client is obligated to use SBG for pension administration services. SBG may recommend the advisory services of SPA to its clients. There is no referral fee arrangement between SPA and SBG.

The principal executive officers of SPA are also agents, and/or officers of Sentinel Insurance Agency. These individuals are also independent agents for various insurance companies. Therefore, these individuals will be able to purchase insurance products for any client in need of such services. These individuals will be able to receive separate, yet typical compensation for the purchase of insurance products. SPA, its Advisory Representatives and related persons have a conflict of interest to recommend clients purchase insurance products since commissions may be earned in addition to fees for advisory services. Clients are not obligated to purchase insurance products through SPA or its Advisory Representatives. SPA has a compliance program in place to monitor the activities of its Advisory Representatives. Advisory Representatives may be sanctioned by SPA for taking advantage of a situation involving a conflict of interest and not acting within clients' best interests.

Neither Sentinel nor any of its management persons are registered, or have an application pending to register; as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing persons. Clients are under no obligation to purchase or sell securities through SPA agents. However, if a client chooses to implement the recommendations, commissions may be earned by SPA agents (i.e. SSI or Sentinel Insurance Agency) in addition to any fees paid for advisory services. SPA management and investment advisor representatives do not recommend or select other investment advisors for SPA clients.

Commissions may be higher or lower at SSI than at other broker-dealers. SPA Advisory Representatives may have a conflict of interest in having clients purchase securities and/or insurance related products through SSI, in that the higher their production with SSI the greater potential for obtaining a higher pay-out on commissions earned. Further, Advisory Representatives may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through SSI.

The principal executive officers and other related "employees" of SPA are officers, managers, and/or registered representatives of SSI, a registered broker-dealer and FINRA member. SSI is affiliated with SPA through common ownership and control. These individuals will be able to effect separate securities transactions for advisory clients and SSI may receive separate and customary compensation for this activity and may pay

a portion of the compensation to these individuals. In some circumstances, SSI may receive customary compensation from mutual fund companies and/or variable annuity companies, including 12b-1 fees, for performing certain administrative and/or shareholder servicing related tasks associated with a SPA client's investments in such securities. SSI's securities business is primarily limited to mutual fund shares and variable insurance contracts.

SPA is a subsidiary of Focus Operating, LLC, which is a subsidiary of Focus Financial Partners, LLC ("Focus"). Focus also controls other registered investment advisors, broker-dealers, pension consultants, insurance firms, and other financial services firms (the "Focus Affiliates"). The Focus Affiliates may provide, among other services, wealth management, benefit and other investment consulting services that may serve individuals, families, employers, and institutions. In addition, certain employees of Focus Affiliates are also registered representatives of SSI. Some Focus Affiliates also manage or advise limited partnerships, private funds, or limited liability companies as disclosed on their respective Forms ADV Schedule D.

Focus Affiliates with whom SPA has a material business relationship are listed in SPA's Form ADV Part I Schedule D, and below. Additional information about the Focus Affiliates is available at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

SPA may from time to time recommend services of other Focus affiliates to our clients. Please note that no financial incentives or compensation of any kind are exchanged between SPA and Focus affiliates with regard to mutual clients.

SPA may recommend investments managed or advised by Focus Affiliates. Please note that no financial incentives or compensation of any kind are exchanged between SPA and Focus affiliates with regard to any recommended investments managed or advised by Focus Affiliates.

SPA and The Colony Group ("Colony") are both advisory firms owned by Focus. SPA and Colony have an agreement in place whereby Colony serves as a subadvisor to SPA for certain client retirement plans. SPA and the client enter an advisory agreement that specifies the discretionary and/or non-discretionary advisory services and duties to be delegated to Colony. Generally, Colony is responsible for investment recommendations and creating and maintaining model portfolios, individual fund choices, and asset allocation targets. SPA is generally responsible for fiduciary governance, participant services, and portfolio administration, including trading, rebalancing, and fiduciary and performance reporting. Colony, at its discretion, may participate in Sentinel's investment meetings with clients. As the advisor to the client, SPA collects its quarterly advisory fee and remits 50% of such fee to Colony for its services.

Certain investment vehicles managed by Stone Point collectively are principal owners of Focus and certain investment vehicles managed by and KKR collectively are minority owners of Focus LLC and Focus Inc. . Because SPA is an indirect, wholly-owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of SPA. None of KKR, Stone Point, or any of their affiliates participates in the management or investment recommendations of our business.

As stated earlier in this Brochure, SPA is a wholly owned subsidiary of Focus. Focus is also one of several minority investors in SmartAsset, which seeks to match prospective advisory clients with investment advisers in exchange for a non-success-based fee paid by the investment adviser. Focus has one director on SmartAsset's board as well as a board observer. SPA's payment of a fee to SmartAsset benefits SmartAsset's investors,



including Focus, our parent company.

To the extent SPA employees who, in their registered representative capacity with SSI, serve as broker of record for a qualified retirement plan ("Plans"), the registered representatives may recommend the purchase of a group annuity policy as the funding vehicle for the Plan through its affiliated insurance agency, Sentinel Insurance. In no event will such Plan also be a client of SPA. If a registered representative refers a Plan whose funding vehicle is a group annuity to Sentinel Insurance, the registered representative may be paid a portion of commissions received by Sentinel Insurance.

SPA provides certain advisory services with respect to the accounts of Participants of Plans in connection with the investment advisory services that SPA provides to the plan sponsors of such Plans. In some instances, a participant may elect to transfer his/her account (e.g., an IRA) out of the Plan to be managed separately by SPA. SPA may recommend the use of SSI (and other brokers unaffiliated with SPA), who provide brokerage services, to such participant in such event. Under these circumstances, the participant may pay greater fees to SPA and commissions to the selected broker-dealer with respect to his/her account for the same services that the participant would have received had his/her account remained in the Plan. Thus, there may be a financial incentive for SPA (and/or its affiliated broker-dealer, SSI) to encourage participants to transfer their accounts out of their respective Plans to be managed separately by SPA.

Advice offered by SPA's Advisory Representatives may involve investment in mutual funds. Mutual funds may carry loads (i.e. sales charges) that may be up-front or on a contingent deferred basis, or can be no-loads with no initial or contingent deferred sales charges. Clients are advised that Advisory Representatives are registered representatives of SSI, a registered broker-dealer, member of the Financial Industry Regulatory Authority ("FINRA") and SIPC. Therefore, Advisory Representatives have a conflict of interest in recommending mutual funds that carry a load since such mutual funds will pay Advisory Representatives a commission should the purchase be made through Advisory Representatives.

A conflict of interest may exist between the interests of SPA and/or its Advisory Representatives and the interests of the client in that SPA and Advisory Representatives offer financial planning and investment advisory services for a fee and also offer various securities products for which they may be paid a commission. The securities products available through SPA may be limited to certain products that have been reviewed and made available for offering through the broker/dealer with which Advisory Representatives may be registered representatives.

Lower fees for comparable services may be available from other sources. Material conflicts of interest disclosed to the client in writing via this Form ADV, Part 2 could cause SPA or its Advisory Representatives to not render unbiased and objective advice. Clients are advised that the investment recommendations, and advice offered by SPA, are not legal recommendations or advice, nor does it constitute accounting advice. Clients should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Clients are advised that it is necessary to inform SPA promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify SPA of any such changes could result in investment recommendations being made that are based upon inaccurate information, thus will not meet the needs of the client.

The level of experience of Advisory Representatives will vary. Additionally, the fees

charged by various Advisory Representatives will not exceed the fee schedules disclosed herein but may vary. Therefore, clients receiving similar services may pay higher or lower fees than another client depending on their Advisory Representative. A higher fee is not necessarily commensurate with the experience of the Advisory Representative.

Advisory Representatives who are Registered Representatives of SSI may receive trail commissions (i.e. 12b-1 fees) for a period of time. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be initially paid to SSI and a portion passed to the Advisory Representatives. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

Some of the Firm's Supervised Persons are licensed insurance brokers and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where its Supervised Persons may be 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.

Periodically Focus Financial Partners, LLC ("Focus"), our parent company, holds partnership meetings and other industry and best-practices conferences, which typically include Focus firm and external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Sentinel Pension Advisors Inc., and facilitate access to our advisors and employees to discuss ideas, products and services. This could be deemed a conflict: the marketing and education activities conducted, and the access granted, at such meetings and conferences may lead advisors to focus on those conference sponsors in the course of their duties. Focus attempts to mitigate any such conflict by having the fees only go towards defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider; or the revenue generated by asset placement.

SPA also holds meetings and other industry and best-practices conferences, which typically include firm and external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to SPA and other attendees and facilitate access to our advisors and employees to discuss ideas, products and services. This could be deemed a conflict: the marketing and education activities conducted, and the access granted, at such meetings and conferences may lead advisors to focus on those conference sponsors in the course of their duties. SPA attempts to mitigate any such conflict by having the fees only go towards defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider; or the revenue generated by asset placement.

Principals of the Firm serve on advisory boards/councils for Charles Schwab & Co., Inc. and Fidelity Brokerage Services LLC (the "Panels"). The Panels consists of independent investment advisors that advise these firms on issues relevant to the independent

advisor community. The Panels meet in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel by the sponsoring firm. At times, Panel members are provided confidential information about the firm's initiatives. Panel members are required to sign confidentiality agreements and are not compensated. However, the firm may pay or reimburses panel members for the travel, lodging and meal expenses incurred in attending Panel meetings. The benefits received by our personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to the firm. Clients should be aware, however, that the receipt of economic benefits in and of itself creates a potential conflict of interest.

## **XI. CODE OF ETHICS, PARTICIPATION or INTEREST IN CLIENT TRANSACTIONS, and PERSONAL TRADING**

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

SPA has in place a Code of Ethics that provides for SPA and its Advisor Representatives to exercise its fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. SPA takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as SPA's policies and procedures.

The Code of Ethics (the "Code") has been adopted by SPA and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Code establishes rules of conduct for all employees of SPA and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that SPA and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

A copy of the Company's Code of Ethics is available to clients and potential clients upon request. The Company's Code may also be viewed online at [www.sentinelgroup.com](http://www.sentinelgroup.com). The Code is designed to ensure that the high ethical standards long maintained by SPA continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both SPA and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. In meeting its fiduciary responsibilities to its clients, SPA expects every employee to demonstrate the highest standards of ethical conduct for continued employment with SPA. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with SPA. SPA reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. SPA employees are urged to seek the advice of the Chief Compliance Officer for any questions about the Code or the application of the Code to their individual circumstances. A material breach of the provisions of the Code by an employee may constitute grounds for disciplinary action, including termination of employment with SPA.

## B. Privacy Policy

SPA recognizes and respects the privacy of each of its customers and their expectations for confidentiality. The protection of customer information is of fundamental importance in our operation and SPA takes seriously its responsibility to protect nonpublic personal information. SPA collects, retains and uses information that assists SPA in providing the best service possible. This information comes from the following sources:

- ▶ Account applications and other required forms
- ▶ Written, oral, electronic or telephonic communications and
- ▶ Account and transaction histories with us, our affiliates, or others

SPA does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. SPA restricts access to nonpublic personal information about you to those employees, affiliates, and service providers who need to know that information to provide SPA products or services to you. SPA requires that these entities limit the use of the information provided to the purposes for which it was disclosed and as permitted by law.

SPA maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

## C. Participation or Interest in Client Transactions and Personal Trading

It is the express policy of SPA that no person employed by SPA may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts. SPA or individuals associated with SPA may buy or sell securities identical to those recommended to customers for their personal accounts. Additionally, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. As these situations represent a conflict of interest, SPA has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer or employee of SPA shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of SPA shall prefer his or her own interest to that of the advisory client.
2. SPA maintains a list of all securities holdings and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of SPA.
3. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
4. SPA emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where SPA is granted discretionary authority of the client's account.
5. SPA emphasizes the unrestricted right of the client to select and choose any broker or dealer; and/or insurance company (s)he wishes.

6. SPA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

7. Any individual not in observance of the above may be subject to termination.

## **XII. BROKERAGE PRACTICES**

For clients in need of brokerage or custodial services, SPA will recommend the use of any number of broker dealers including SSI, Fidelity Brokerage Services, LLC., or Charles Schwab & Co., Inc., all FINRA registered broker dealers. The factors considered by SPA when recommending a broker are the broker's ability to provide professional services, SPA's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors.

Client accounts enrolled in the ManagedChoice (Institutional Intelligent Portfolios®) are maintained at, and receive the brokerage services of, CS&Co., a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the Program. CS&Co. may aggregate purchase and sale orders for Funds across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

While there is no direct linkage between the investment advice given and implementation of securities transactions through these arrangements, economic benefits are received which would not be received if SPA did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving participants exclusively; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

The benefits received through participation in the SPA program or the Fidelity program may or may not depend upon the amount of transactions directed to, or amount of assets custodied.

Employees of SPA who are registered representatives of SSI receive commissions for serving as broker of record for certain Plans. Such commissions flow through SSI to the individual registered representative.

### **A.1. Research and Other Soft Dollar Benefits**

SPA does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions ("soft dollar benefits").

### **A.2. Brokerage For Client Referrals**

SPA does not consider, in selecting or recommending broker-dealers, whether SPA or a related person of SPA receives client referrals from a broker-dealer or third party.

### A.3. Directed Brokerage

Sentinel does not routinely recommend, request, or require that a client direct Sentinel to execute transactions through a specified broker-dealer.

While clients may direct Sentinel to utilize specified brokerage firms for trade executions, where clients wish to direct the use of a particular broker dealer, it should be understood that SPA will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. Thus, where clients direct brokerage transactions may cost them more than if executed utilizing SPA's best execution practices.

### A.4. Trade Aggregation *(bundling trades to obtain volume discounts on execution costs)*

ETFs do not sell or redeem their individual shares ("ETF shares") at net asset value ("NAV") like a mutual fund does. Instead, financial institutions purchase and redeem ETF shares directly from the ETF, but only in large blocks called "creation units" (e.g., blocks of 25,000 or 50,000 shares). These financial institutions are generally required to enter into an agreement with the particular ETF, ETF sponsor or principal underwriter in order to effect transactions in creation units for the ETF shares (such a financial institution is referred to as an "Authorized Participant"). Consistent with firm policy regarding Trade Aggregation, SPA, through Sentinel Securities Inc., may from time to time effect transactions in ETF shares large enough to satisfy the creation unit criteria for an ETF. Since SSI is not an Authorized Participant, these transactions may not be executed directly with the ETF. Instead, these transactions are executed through a financial institution that is an Authorized Participant with respect to the particular ETF. In doing so, clients will generally not be able to purchase or sell ETF shares at NAV since there are additional costs associated with trading through the third party financial institution. These costs are borne by clients and are reflected as either a mark-up or mark-down (depending upon whether the transaction is a purchase or sale) in the price per ETF shares or in a separate commission or charge.

## XIII. REVIEW OF ACCOUNTS

Account assets for investment advisory clients are supervised continuously and formally reviewed at least quarterly by the Advisory Representative assigned to the account. The review process will include, but is not limited to: comparing the current asset allocation to the asset allocation models, or the recommended asset allocation and evaluating the need for rebalancing. Additional account reviews may be triggered by any of the following events; a specific client request, deposit or withdrawal of client funds, or a change in the client's stated goals or objectives.

Clients will receive, at a minimum, quarterly reports furnished by SPA for the ManagedChoice IRA Program. Account activity in any given month will generate an account statement for that month.

## XIV. CLIENT REFERRALS AND OTHER COMPENSATION

If a client is introduced to SPA by either an unaffiliated or an affiliated solicitor, SPA will pay that solicitor a referral fee only if an agreement is in place that is in accordance with the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940, as amended (the "Advisors Act"), and any applicable state securities law requirements. SPA has entered into solicitor relationships with other investment advisers, broker-

dealers, and financial planning firms whereby the solicitor will refer clients to SPA which clients may be a candidate for the investment advisory services offered by SPA. SPA shares advisory fees with solicitors on a negotiated basis for soliciting business for SPA. Compensation to solicitors will be an agreed upon percentage of SPA's advisory fee. This fee is paid in arrears and in most instances continues to be paid to solicitors for as long as SPA receives fees on the account.

Any such referral fee shall be paid solely from the Program fee paid to SPA, and shall not result in any additional charge to the client. If the client is introduced to SPA by an unaffiliated solicitor, the solicitor shall provide the client with a copy of Form ADV Part 2, the Wrap Fee Program brochure and a copy of the disclosure statement between SPA and the solicitor containing the terms and conditions of the solicitation arrangement, including compensation. Any affiliated solicitor of SPA shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Form ADV Part 2 and Wrap Fee Program brochure at the time of the solicitation.

SPA's principal executive officers and advisor representatives, from time to time, receive incentive awards or non-cash compensation for the recommendation/ introduction of investment products. While these individuals endeavor at all times to put the interest of the clients first as part of SPA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. All non-cash compensation must be disclosed to and, in certain instances, approved by the SPA Compliance Department. The SPA Compliance Department reviews and tracks all non-cash compensation or incentive awards provided to any SPA investment advisory representative from an outside firm to ensure compliance with all applicable rules and regulations.

Certain mutual funds and variable annuities in which you are invested pay marketing fees, service fees, including shareholder service fees, 12b-1 fees, to SPA or Sentinel Securities Inc. our affiliated broker/dealer for marketing assistance or the performance of certain administrative tasks associated with making an investment in such fund or annuity. Any such fees received by us will not be credited against the fees otherwise payable by individual clients to us. Our employees or associated persons on occasion are invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party extending the invitation.

In addition, certain employees of SPA hold securities licenses at and are deemed "registered representatives" of SSI. From time to time, such employees may act in their "registered representative" capacity as "broker of record" for a Plan. Pursuant to such arrangement, the registered representative will receive commission compensation from the Plan. In all cases, whether acting through SPA or as a registered representative of SSI, the employee (who is a registered representative) does not have discretion over any client's account.

In connection with certain retirement plans, SBG may also receive certain fees from its custodial platforms and other revenue sharing compensation from mutual fund providers for providing shareholder services and administrative services for mutual funds purchased under the Plan. Any and all compensation and other revenue sharing payments received by SPA from these custodial platforms and/or mutual funds are used to offset administrative services and recordkeeping fees billed by SBG to its clients (as well as to offset fees charged by the Plan custodian or other professional service providers). Quarterly invoices sent to SPA/SBG clients illustrate total fees payable to SPA or SBG less revenue sharing income. To the extent revenue sharing income exceeds

the fee payable to SPA or SBG will, at the plan sponsor's discretion, set up a revenue recapture account or place the income into the applicable client's Plan. Sentinel's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Sentinel, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Sentinel. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Sentinel. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Sentinel to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Sentinel. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

BlackRock, Inc.  
Fidelity Brokerage Services  
Orio Advisor Services, LLC  
Charles Schwab & Co.

Certain of SPA's personnel participated in an advisor coaching program (the "Program") organized by Focus and conducted by a professional coach. The Program is first and foremost intended to provide training or education to personnel of Focus firms, including SPA. However, the Program does provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including SPA. Although the participation of Focus firm personnel in the Program is not preconditioned on the achievement of a sales target for any Program sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at the Program could cause SPA to focus on the Program sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the Program or future Programs and not as revenue for itself or any affiliate, including SPA. Program sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entity provided Program sponsorship to Focus in the last year:

Eaton Vance Investment Management

We pay a flat fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartAsset. It provides information about investment advisory firms to persons who have expressed an interest in such firms. The program also provides the name and contact information of such persons to the advisory firms as potential leads. The flat fee we pay for being provided with potential leads varies based on certain factors,



including the size of the person's portfolio, and the fee is payable regardless of whether the prospect becomes our advisory client."

## **XV. CUSTODY**

For all accounts, SPA does not take custody of client accounts at any time. Accounts are custodied at the various firms that hold client accounts. Such firms are "qualified custodians" as that term is defined in Rule 206(4)-2(d)(6) of the Investment Advisers Act of 1940. Clients will receive quarterly account statements from the custodian. SPA does not provide monthly or quarterly reports to clients. The custodian holds and maintains SPA client's investment assets and send statements at least quarterly. Account activity in any given month will generate an account statement for that month. SPA recommends each client carefully review all statements and contact the Chief Compliance Officer if any issues are uncovered.

## **XVI. INVESTMENT DISCRETION**

SPA may receive discretionary authority from the client at the outset of an advisory relationship to select the identity, timing and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Any limitations on this discretionary authority shall be included in the advisory agreement. Clients may change/ amend these limitations as required. Such amendments shall be submitted in writing.

## **XVII. VOTING CLIENT SECURITIES**

It is SPA's longstanding policy that each client is responsible for voting all of the proxies related to the securities held in his/her account. For the advisory clients of SPA who were clients of ABG PS prior to January 02, 2020, it is noted that ABG PS had a limited number of clients whose advisory contract called for ABG PS to vote client securities on behalf of its clients. Therefore, in light of these limited pre-existing arrangements, SPA will vote client securities on behalf of such clients.

This "grandfathering" policy applies only to the aforementioned groups of clients. When SPA does in fact accept such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are described in SPA's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in SPA's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. A client may contact SPA to request information about how SPA voted proxies for their securities or to get a copy of SPA's Proxy Voting Policies and Procedures.

A brief summary of SPA's Proxy Voting Policies and Procedures is as follows:

- ▶ SPA generally will vote proxies according to SPA'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, SPA is

committed to spending sufficient time and resources to monitor these changes.

- Clients cannot direct SPA's vote on a particular solicitation but can revoke SPA'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 SPA maintains with persons having an interest in the outcome of certain votes, SPA 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.

## **XVIII. FINANCIAL INFORMATION**

SPA has not attached a balance sheet for its most recent fiscal year because it does not require prepayment of more than \$1,200 in fees per client and six or more months in advance. SPA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **XIX. REQUIREMENTS FOR STATE REGISTERED ADVISERS**

*Not Applicable*

