



Bolton Partners Investment Consulting Group, Inc.

Form ADV Part 2A

Investment Adviser Brochure

March 16, 2020

36 South Charles Street

Suite 1000

Baltimore, MD 21201

Website - www.boltonusa.com

This brochure provides information about the qualifications and business practices of Bolton Partners Investment Consulting Group, Inc. If you have any questions about the contents of this brochure, please contact Clyde Randall, our Chief Compliance Officer, at 443-573-3933 or crandall@boltonusa.com. 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.

Bolton Partners is a Registered Investment Adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Bolton Partners Investment Consulting Group, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Since our last Form ADV Part 2A, dated March 15, 2019 we have no material changes to report.

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Item 4 Advisory Business

Item 4.A - Description of Advisory Firm & Firm Ownership

Description of Advisory Firm

Founded in 1994, Bolton Partners Investment Consulting Group, Inc. has been in business for over 20 years. The firm provides investment consulting services to sponsors of retirement plans, including defined contribution plans, defined benefit plans, DROP plans, OPEBs and VEBAs.

Firm Ownership

Bolton Partners Investment Consulting Group, Inc. is owned by a private holding company, BOD Group, Inc. Robert G. Bolton is the President and majority stockholder of BOD Group, Inc. Mr. Bolton is also the Chairman of the Board for Bolton Partners Investment Consulting Group, Inc.

The ownership structure of BOD Group, Inc. is described below. The firm specializes in employee benefits consulting and has four practice areas: investment consulting services, pension actuarial consulting services, health actuarial and health & welfare consulting services. BOD Group, Inc. is the holding company for the following companies and practice areas:

- ❑ Bolton Partners Investment Group, Inc. (founded in 1994) is headquartered in Baltimore, and all of the firm's investment consulting staff work for this company in this location. BPICG is the only BOD company that provides investment advisory services.
- ❑ Bolton Partners, Inc. (founded 1981) includes:
 - Baltimore-based pension actuarial, health actuarial, and Health & Welfare staff
 - Bolton Partners Northeast - Trenton, N.J.-based actuaries
 - Blue Bell, Pa.-based Health & Welfare employee
- ❑ Bolton Partners D.C., Inc. (founded in 2003) includes the firm's Washington, D.C.-based actuaries

Item 4.B - Types of Advisory Services

The investment advisory services provided by Bolton Partners Investment Consulting Group, Inc. are limited to investment consulting services. Nearly all of our investment advisory services are investment supervisory in nature (defined as the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client.)

Our clients are generally employers who sponsor retirement plans. We provide our clients with recommendations to hire, retain, or terminate the investment managers for their plans. We provide investment manager searches (including target date fund searches), investment policy statements, asset allocation and rebalancing advice. We also provide participant education for a small number of clients.

During 2015, we began to act as an investment manager for one defined contribution client (pursuant to ERISA Section 3 (38)). In this role, we have full discretion to choose the investment options offered by the plan.

In addition to providing investment advisory services, we provide other non-advisory services. For example, we conduct searches for defined contribution recordkeeping services or custodian searches on a project basis. Non-advisory services typically represent a small portion of our annual revenues.

Item 4.C - Tailoring Advisory Services

We tailor our advisory services to the needs of each client. We make every effort to ensure that we incorporate each client's objectives and constraints in our analysis so that we identify appropriate solutions for them. We provide services such as manager searches (including target date fund searches), asset allocation, and investment policy statements. For each of these services, our recommendations are specific to the client. For example, the criteria for a manager search could vary for two different clients depending upon the differing size or existing manager composition of the two plans. Our goal is to identify suitable managers and/or asset mixes for our clients.

All of our investment advice is at the plan and manager or fund level. We do not provide security-specific advice.

Item 4.D - Wrap Fee Programs

Not applicable.

We do not participate in wrap fee programs by providing portfolio management services.

Item 4.E - Client Assets

As of December 31, 2019, our Assets Under Advisement were approximately \$ 6,281.395,712. 100% of our advisory activity related to these assets are not managed on a continuous basis and include asset for which the Firm provides consulting services.

We calculated this total by adding the market values of all retirement plans where we have a contract to provide regular monitoring service. We do not have market values as of December 31, 2019 on all of these plans, because some of them are on different reporting cycles. In these cases we used the most recent 2019 market value available, so some of the market values in our total predate December 31, 2019.

As of December 31, 2019 we acted as an investment manager for one defined contribution plan with assets of \$28.13 million. We have full discretion to select the investment options in that plan.

Item 5 Fees and Compensation

Item 5.A - How we are Compensated for our Advisory Services

Most of our revenue is derived from investment monitoring services where we charge a fixed annual retainer. The amount of the annual retainer will vary depending on the type and complexity of the services provided, as well as the level of administration requested either directly or assumed by the client. The applicable fee is negotiated with the client and determined in advance of the services rendered. We provide monitoring reports on a quarterly, semi-annual or annual basis as determined by our client.

- For our defined benefit clients, we send an invoice to the plan sponsor.
- For our defined contribution clients, we send an invoice to the plan sponsor who generally forwards it to the plan's recordkeeper.

Although our services are generally a plan expense and paid with plan assets, we never deduct funds from our clients' plans and have no ability to do so.

In some defined contribution plans, the funds used to pay plan expenses, including our fees, are generated from "revenue-sharing" arrangements between mutual fund distributors and a plan's recordkeeper. We do not deduct funds directly from plan assets.

A smaller portion of our revenue is derived from other services or arrangements:

- We do "project work" for our monitoring clients and for other plan sponsors. Projects are contracted as a one-time retention of our firm. These projects are most frequently fee benchmarking studies (comparing a plan's total costs to its peers) or recordkeeping searches. This work is often not investment advisory in nature.
- We occasionally charge for our services by the hour. Hourly consulting fee rates vary between \$180 and \$360/hour depending on the type and complexity of the services provided. The applicable fee is negotiated with the client and determined in advance of the services rendered. Fees billed by the hour have been a de minimis portion of our revenue over the past five years.

Item 5.B - Method and Frequency of Payment

We do not deduct fees from client assets. We send invoices to our clients in arrears for fees incurred. The frequency of our invoices depends upon the frequency of our retainer work. For example, we send quarterly invoices to clients who receive quarterly monitoring reports.

Item 5.C. - Other Fees or Expenses

Plan sponsors incur a variety of costs related to the maintenance of a retirement plan. We charge our clients only for the services that we provide to them.

A plan's costs for investment management, recordkeeping, or custody could be affected by our advice.

Item 5.D - Timing of Client Payments

We send invoices to our clients in arrears for fees incurred. We request payment upon completion of work or upon completion of stages of a project.

In the rare event that an advisory contract is terminated before the end of the billing period, and we had been paid in advance, we would refund any amount related to work that had not been completed.

Item 5.E. - Compensation for Sale of Securities or Other Investment Products

None of our supervised persons is compensated for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not charge performance-based fees.

Item 7 Types of Clients

We provide investment consulting services to sponsors of retirement plans, including defined contribution plans, defined benefit plans, DROP plans, OPEBs and VEBAs. Our clients include, but are not limited to, public, multi-employer, corporate, and not-for-profit employers.

We do not have any requirements for opening or maintaining an account, such as a minimum account size.

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

In our capacity as a investment consultant, 100% of our investment advisory activity is on a non-discretionary basis. We do not perform security analysis, since we do not provide advice on individual securities. We believe this section of the ADV was designed to address advisors managing Portfolios of individual securities. For the sake of completeness, our responses will focus on our investment advisory services and we will also refer to them as investment strategies in this section of the ADV.

Item 8.A - Methods of Analysis for Investment Strategies

Our primary investment advisory services ("strategies") include:

- ☐ Manager monitoring and selection.
- ☐ Investment policy statements.
- ☐ Asset allocation services to our clients whose plans are not participant-directed.

We monitor the investment managers for our plan sponsor clients through a qualitative analysis of the fund managers personnel and their processes and through a quantitative review of performance, risk characteristics and investment style. Our monitoring reports include a statement, informing our clients that past performance does not guarantee future results.

Our manager selection process focuses on identifying suitable investment managers that meet our clients' criteria. Plans differ in the breadth of their investment options and in the character of their participant populations. As a result, two clients could hire different managers in the same style category at the same time. As with our monitoring process, we discuss the limited value of historical returns in forecasting future returns.

In certain cases, the recordkeeper for a client's plan may have a limited platform of available options. In those cases, our selection may be limited to the options on that platform.

Our asset allocation policies for trustee-directed plans focus on meeting the return targets of our clients' plans. In most cases, our asset allocation clients are pension plans seeking to meet their actuarial target return over time. Our strategies are designed to address the client's funded status, while seeking to manage volatility. Since prudent allocation may constrain projected returns, it could take a plan many years to reach fully funded status.

Item 8.B - Material Risks Related to Each Investment Advisory Service/"Strategy"

I. Our manager selection and monitoring process focuses on finding and retaining managers who are suitable for our clients' plans, while generating risk-adjusted performance which is strong (over time) relative to appropriate benchmarks and peers for the given style category. If these criteria are not met, we recommend termination and/or replacement of the manager(s).

A. The primary risks for our participant-directed clients (typically plan sponsors for defined contribution plans) are that:

1. The risk that the participants might select funds which are not suitable for them. We address this risk in ways which include, but are not limited to, the following:

- a. We recommend one option in each core style category (ex. Large cap blend);
- b. We seek options with a consistent investment style;
- c. We generally do not select options with a name that is different from its style category. For example, we do not recommend that a plan use a small cap blend fund as its small cap blend option if the fund has "small cap value" as part of its name.

2. The risk that the funds might not generate strong risk-adjusted performance (over time) relative to appropriate benchmarks and peers for the given style category. We address this risk in ways which include, but are not limited to, the following:

- a. We compare the performance of the options to their appropriate benchmarks and peers over multiple historic time periods, recognizing that past performance does not guarantee future performance;
- b. We evaluate each option with a variety of qualitative and quantitative screens which are focused on people, process and performance.

B. The primary risk for our employer-directed clients (typically plan sponsors for defined benefit plans) is that the managers do not generate performance, which:

1. Is strong relative to appropriate benchmarks and peers for the given style category;
2. Is adequate, in combination with the Plan's other managers, to meet the Plan's actuarial rate of return (in order to achieve fully funded status).

II. Our Investment Policy Statements for both participant-directed plans (typically defined contribution plans) and employer-directed plans (typically defined benefit plans) identify the roles and responsibilities of the fiduciaries in administering the plans.

A. Our Investment Policy Statements for *participant-directed* plans focus on manager selection guidelines, intended to identify tenured managers with a consistent investment style and relative returns, so that participants can create portfolios of suitable options, while generating risk-adjusted performance which is strong (over time) relative to appropriate benchmarks and peers for the given style category. If the guidelines are not sound, there is the risk that the plans' managers could be unsuitable and/or underperform.

B. Our Investment Policy Statements for *employer-directed* plans focus on developing an asset allocation plan, with a goal of meeting the return objectives of the plans (ex. actuarial rate of return).

Item 8.C - Material Risks Related to Each Type of Security

Not applicable.

We do not provide our clients with advice related to securities. Our services are at the plan level.

Item 9 Disciplinary Information

Not applicable.

We are not aware of any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Item 10.A. - Registered Representatives

None of our employees has dual registration with a broker-dealer.

Item 10.B - Futures or Commodities

None of our employees are registered as, 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 entities.

Item 10.C - Related Person

Bolton Partners Investment Consulting Group, Inc. provides investment consulting services to pension funds and is a pension consultant. We have a material relationship with three (3) "related persons," who may also be defined as a pension consultants. All of these companies are owned by BOD Group, Inc. The three (3) related companies follow:

Bolton Partners, Inc., provides actuarial consulting services to pension funds. Bolton Partners, Inc. also provides Health & Welfare consulting services to employers. Both Bolton Partners Investment Consulting Group, Inc. and Bolton Partners, Inc. are located in the same office building in Baltimore, MD. Our ownership structure is detailed under Item 4.A of this document. We have adopted policies to avoid potential conflicts of interest that could arise as a result of our relationship with our sister company.

Bolton Partners D.C., Inc. is based in Washington, D.C. and provides actuarial consulting services. Bolton Partners Investment Consulting Group, Inc. has limited interaction with Bolton Partners D.C., Inc.

Bolton Health Actuarial, Inc. was formed in March 2013 and is based in Atlanta, GA. Bolton Partners Investment Consulting Group, Inc. has limited interaction with Bolton Health Actuarial, Inc.

We seek information sharing agreements with all of our joint clients, and we have security measures in place to protect the confidentiality of client data. BPICG may refer clients to one or more of their affiliated entities. BPICG does not receive any compensation for referrals, however the parent company ultimately benefits from the referrals. No Client is under any obligation to engage any of the affiliated entities. Clients are reminded that they may engage other non affiliated entites to perform the same services.

Item 10.D - Recommending or Selecting other Investment Advisers for our Clients

Mutual Funds: Most of our clients have retirement plans that utilize mutual funds. These mutual funds are managed by investment advisors. Under Item 5.A of this document, we have described "How we are Compensated for our Advisory Services." A portion of this section describes revenue sharing as it pertains to mutual funds.

Collective Trusts: We have a few clients who utilize collective trusts. We typically recommend selection of this structure to clients when the fees are lower than the fees for similarly managed mutual funds and/or when similar mutual funds are not available on the administrator's/vendor's platform. Not all retirement plan types can utilize collective trusts.

Separate Accounts: We have a few clients who engage separate account managers. Typically, we recommend the selection of these managers to our clients. We do not receive any compensation directly or indirectly from those managers.

Annuity Placements: We occasionally suggest insurance brokers to clients for annuity placements. Two types of our clients periodically need annuities: (1) employers with terminated defined benefit plans and (2) plan participants with plan rollovers. The client must approve the selection of the broker and the annuity provider.

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

item 11.A- Code of Ethics

We are an SEC-registered adviser, and can serve as a contractual co-fiduciary for our clients.

We will provide a copy of our Code of Ethics to any client or prospective client upon request. Our Code of Ethics is based upon applicable portions of the CFA Institute Code of Conduct and Standards of Practice, and it includes a personal trading policy for access persons.

Item 11.B - Buying or Selling Securities with a Material Financial Interest

Not applicable.

We do not recommend to clients, or buy or sell for client accounts, securities in which we or our sister companies have a material financial interest.

Item 11.C - Investing in the Same or Related Securities

Bolton makes recommendations for its clients in the selection and retention of mutual funds investments.

Bolton and/or its representatives may purchase or sell investments for their personal accounts that they have similarly recommended to clients.

Item 11.D - Simultaneous Trading by Our Firm and a Related Person

Not applicable.

Simultaneous trading of the same securities by our firm and our sister companies is not applicable, since neither Bolton Partners Investment Consulting Group, Inc. nor its sister companies recommends or trades individual securities.

Item 12 Brokerage Practices

Item 12 is not applicable to us because we do not place individual securities transactions through broker dealers.

Item 13 Review of Accounts

Item 13.A - Periodic Review of Client Accounts

We review our retainer client plans (accounts) according to the contractually agreed upon frequency. The frequency varies by client and is typically annual, semi-annual or quarterly. These reviews are documented in our regular written reports, and an oral presentation usually accompanies delivery of these reports.

The nature or purpose of these reviews and reports is to monitor the clients' plans and the managers in the plans.

Reviewers include the Chief Investment Officer, a Senior Analyst, and our client service staff. The Chief Investment Officer is responsible for the content of all monitoring reports. Analysts report to the Chief Investment Officer.

Item 13.B - Factors Triggering a Review

Our reviews are typically triggered by any or all of three factors: (1) the clients' desired frequency; (2) the client's contract with us; and/or (3) the provisions in the client's Investment Policy Statements. Additionally, a concern about a manager could trigger a review of plans (accounts) utilizing that option.

Item 13.C - Content and Frequency of Regular Reports

Our regular written reports review the investment performance of the plans and managers. The frequency of these reports is usually determined contractually and varies by client. Reports are usually delivered on an annual, semi-annual or quarterly basis.

Our regular reports also include an Executive Summary which may include, but is not limited to:

- Economic section, summarizing status and changes in leading indicators, both graphically and in text;
- Benchmark summary, providing returns for benchmarks for all asset classes utilized by the program on a 3-month and a 1, 3, 5 and 10-year basis;
- Asset allocation report, showing dollar amount and percentage of total plan assets invested in each investment manager;
- A review of the investment performance of each fund or manager relative to an appropriate benchmark and to a peer group;
- Summary of compliance (or lack thereof) by each investment manager with the investment policy statement guidelines and criteria;

The goal of our investment monitoring reporting is to issue a fiduciary opinion on the prudence of each investment option (typically a mutual fund). In addition to comparing each investment manager's performance to relevant benchmarks and peer groups, we consider factors, which contribute to performance including, but not limited to:

- Deviations in a manager's stated investment style;
- Sector (industry weightings) compared to benchmark weightings;
- Risk profile compared to benchmark;
- Depth and turnover of key investment personnel;
- Amount of assets under management; and
- Competitiveness of fees.

Our reports also include a recommendation to Retain, Watch List or Replace each manager in the Plan.

Item 14 Client Referrals and Other Compensation

We do not use third party solicitors to source client referrals, however we have entered into arrangements with employees of our firm, under which the individual receives compensation from our firm for the establishment of new client relationships.

Some of our employees are compensated for business development activity, including the attraction of new clients. We usually pay a one-time flat fee of 10% - 20% of the first year's revenue for new advisory clients. This may cause a potential conflict of interest, and therefore you are not obligated to retain our firm for advisory services; comparable services and/or lower fees may be available through other firms. Our clients are not charged additional fees for this compensation arrangement.

Item 15 Custody

Not applicable.

We do not have custody of any of our client funds or securities.

Item 16 Investment Discretion

We manage our clients' assets on a discretionary or non-discretionary basis; each such authority is memorialized in the agreement. When exercising our authority to manage clients' assets on a discretionary basis, we limit our authority to each client's investment policy statement, objectives, limitations and restrictions. The discretionary authority extended to us by clients includes the ability to determine the funds or managers retained for a client's account.

We do not have discretion to direct-individual securities transactions on behalf of any of our clients.

Item 17 Voting Client Securities

Not applicable.

Most of our clients' plans hold shares of mutual funds, which generally do not issue proxy statements.

For our clients with separate accounts, we do not have discretion to manage the underlying securities and we do not recommend or trade securities for them. We do not vote securities or advise our clients on their securities-related proxy matters.

Item 18 Financial Information

Not applicable.

Item 18.A

We do not require or solicit prepayment of fees in advance.

Item 18.B

We do not have discretionary authority or custody of client funds or securities.

Item 18.C

We have not been the subject of a bankruptcy petition at any time during the past ten years.