

## **AMR Advisory Plus Wrap Program**



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This wrap fee program brochure provides information about the qualifications and business practices of Asset Management Resources, LLC ("AMR," "we," or "us"). If you have any questions about the contents of this brochure, please contact J. Christopher Boyd, Manager, Chief Executive Officer and Chief Compliance Officer, at (508) 771-8900 or [Chris@AMRfinancial.com](mailto:Chris@AMRfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about AMR is also available on the SEC's website at <https://adviserinfo.sec.gov/Firm/145296>.

## Item 2: Material Changes

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In this Item of Asset Management Resources, LLC's (AMR or the Firm) Wrap Fee Brochure, the Firm is required to discuss any material changes that have been made since the last Annual Amendment, dated March 29, 2020.

Since the last Annual Amendment filing, the Firm has the following material change to report:

- As of June 2020, Brian Regan has been promoted to Chief Investment Officer.

AMR's Wrap Fee Brochure may be requested at any time, without charge by contacting J. Christopher Boyd, Manager, Chief Executive Officer, and Chief Compliance Officer at (508) 771-8900 or by email at [Chris@AMRfinancial.com](mailto:Chris@AMRfinancial.com).

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## Item 4: Services, Fees and Compensation

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Asset Management Resources, LLC (AMR or the Firm) is a registered investment adviser. Our principal place of business is located in Hyannis, Massachusetts. We began conducting business as a registered investment adviser in 2008.

AMR is wholly owned by the J. Christopher Boyd Revocable Trust. J. Christopher Boyd, Manager, Chief Executive Officer and Chief Compliance Officer of AMR is the co-trustee of the trust along with (his wife) Kristen C. Boyd, AMR's Client Services Coordinator and Investment Advisor Representative.

We sponsor the AMR Advisory Plus Wrap Program (the "Program"), a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers, and the execution of client transactions.

This Wrap Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2A: Firm Brochure. You may obtain a copy of our Firm Brochure by contacting us at (508) 771-8900 or at [info@AMRFinancial.com](mailto:info@AMRFinancial.com).

### **Services**

AMR offers portfolio management services to clients through the AMR Advisory Plus Wrap Program. Clients participating in the Program receive continual advice regarding the investment of their funds based on their individual needs. Through personal discussions in which goals and objectives are established, we develop the client's personal investment strategy which serves as the basis for managing the client's portfolio. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

As its sponsor and investment manager, we have designed the Program to connect our firm's clients with our professional in-house portfolio management suitable for their financial circumstances and investment objectives. Our firm actively solicits advisory clients for the Program. We are also responsible for the marketing of the Program.

We manage these advisory accounts on a discretionary basis though some non-discretionary accounts may have been previously negotiated. Account supervision is guided by the client's stated objectives (e.g., growth, income or a balance between growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. Our client portfolios primarily consist of mutual funds (no-load or load-waived), exchange-traded funds (“ETFs”) and individual securities. Our client portfolios also may include closed end funds (CEFs”).

Within the Program, AMR also offers the following specific asset allocation strategies to its advisory clients:

**AMR Strategic Allocation Portfolio Series.** This strategy is designed with a strategic asset allocation bias and modest tactical weightings and/or alterations.<sup>1</sup> It will include a series of portfolios with varying degrees of risk, consisting primarily of mutual funds and/or exchange traded funds (ETF’s). The AMR Strategic Allocation Portfolio Series will be offered with the following objectives:

- Preservation (approximately 30% equity/70% fixed income)
- Dividend Strategy (approximately 50% equity/50% fixed income)
- Income & Growth (approximately 50% equity/50% fixed income)
- Moderate Growth (approximately 65% equity/35% fixed income)
- Growth (approximately 85% equity/15% fixed income)

Portfolios in this series are managed on a discretionary basis only.

**AMR ETF Momentum Portfolio Series.** Portfolios in this series will be managed with a blend of strategic and tactical asset allocation strategies, but with a bias toward tactical weightings or alterations.<sup>2</sup> It will include a series of portfolios with varying degrees of risk and consist primarily of ETFs. Each strategy will maintain a strategic asset allocation component and an unconstrained tactically managed component. AMR ETF Momentum Portfolio Series will be offered with the following objectives:

- Preservation (approximately 67% strategic/33% tactical)
- Income & Growth (approximately 50% strategic/50% tactical)
- Moderate Growth (approximately 33% strategic/67% tactical)

Portfolios in this series are managed on a discretionary basis only.

**AMR Equity Portfolio Strategies.** This series is comprised of three equity based approaches: (1) a fundamentals based selection of quality companies considered to be inexpensive relative to their perceived fair value, (2) a dividend selection process similarly based on fundamental

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<sup>1</sup> A strategic asset allocation strategy is a portfolio strategy that involves periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation.

<sup>2</sup> A tactical asset allocation strategy is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors.

analysis identifying long-term quality companies with solid prospects for maintaining and/or increasing dividend payments, and (3) a tactical or momentum stock selection, which is generally only offered as a complement to other strategies. Customized designs are also available. Most stock selection is fundamentals-based, seeking to identify underpriced securities that may provide an attractive income or growth prospects. In addition to fundamentals selection top down sector priorities will also be considered in portfolio construction. For tactical equity selections, relative strength or momentum research is utilized to attempt to identify those prospective holdings which are trending well relative to both their sector peer group and the market broadly. These strategies will primarily use individual equity securities, but may also hold bonds, ETFs, and mutual funds to complement desired positions and weightings. Portfolios in this series are managed on a discretionary basis only.

**AMR Bond Series.** This series is comprised of two bond strategies: Preservation and Conservative. Each is designed to be a cautious strategy geared toward capital preservation with the intention of acting as a suitable alternative for CD (certificate of deposit) investors seeking a modestly improved performance opportunity while interest rates are extraordinarily low. These strategies will primarily utilize mutual funds, ETF's and individual bonds. Portfolios in this series are managed on a discretionary basis only.

**The Cap High Expense Allocation Program ("C.H.E.A.P.").** C.H.E.A.P. is comprised of strategies that seek to meet the following investment objectives:

- Conservative (approximately 33% equity/67% fixed income and cash)
- Income & Growth (approximately 50% equity/50% fixed income and cash)
- Moderate Growth (approximately 67% equity/33% fixed income and cash)
- Growth (approximately 85% equity/15% fixed income and cash)
- Aggressive (approximately 100%)

These strategies will be developed to adhere to a strategic asset allocation with low turnover using low-cost ETF indexed funds. AMR will strive to maintain an average expense ratio in each CHEAP portfolio of 0.50% or less (and, with AMR's fee, a total management cost of 1.0% or less). Mutual funds may be used when deemed appropriate, as long as they do not undermine the intended average expense ratio at the time of inclusion in the strategy. CHEAP portfolios will be managed on a discretionary basis only.

**AMR Tactical Allocation Program ("TAP").** The TAP will provide two managed strategies, a Constrained and Unconstrained tactical design. At the time of design, the Constrained strategy will seek to invest 10% in each of the following asset classes: Domestic Equities, International Equities, Commodities, Fixed-income, Currencies, and Cash Equivalents. The remaining 40% will be invested with half in each of the two asset classes considered to be most desirable for momentum characteristics. This will result in the asset classes perceived to be most appealing to have the greatest exposure in the portfolio (30% in each of the top two).

The Unconstrained strategy will invest a portfolio's assets solely in each of the two asset classes considered to be most desirable for momentum characteristics. Further insights for each asset class portfolio construction will be provided upon request.

The TAP may involve active trading and is not likely to be tax efficient. TAP portfolios will be managed on a discretionary basis only.

### **Fees and Compensation**

The annualized fees for this program are charged as a percentage of the value of the client's portfolio, according to the following schedules:

#### ***AMR Strategic Allocation Portfolio Series***

<u>Portfolio Value</u>	<u>Annual Fee (%)</u>
\$0 to \$499,999	1.30%
\$500,000 to \$1,999,999	1.05%
\$2,000,000 to \$4,999,999	0.67%
\$5,000,000 and over	0.52%
Minimum Account Size:	\$250,000
Minimum Quarterly Fee:	\$650

#### ***AMR ETF Momentum Portfolio Series***

<u>Portfolio Value</u>	<u>Annual Fee (%)</u>
\$0 to \$499,999	1.50%
\$500,000 to \$1,999,999	1.05%
\$2,000,000 to \$4,999,999	0.67%
\$5,000,000 and over	0.52%
Minimum Account Size:	\$250,000
Minimum Quarterly Fee:	\$750

#### ***AMR Bond Series***

<u>Portfolio Value</u>	<u>Annual Fee (%)</u>
\$0 to \$1,999,999	1.05%
\$2,000,000 to \$4,999,999	0.67%
\$5,000,000 and over	0.52%
Minimum Account Size:	\$250,000
Minimum Quarterly Fee:	\$525

#### ***C.H.E.A.P. Strategic Asset Allocation Strategies ("CHEAP")***

AMR will charge an annual fee of 0.50% of assets under management.

Minimum Account Size:	\$500,000
Minimum Quarterly Fee	\$500

***AMR Tactical Allocation Program ("TAP")***

<u>Portfolio Value</u>	<u>Annual Fee (%)</u>
\$0 to \$999,999	2.00%
\$1,000,000 to \$1,999,999	1.05%
\$2,000,000 to \$4,999,999	0.67%
\$5,000,000 and over	0.52%

Minimum Account Size:	\$500,000
Minimum Quarterly Fee:	\$2,000

***AMR Equity Portfolio Strategies***

<u>Portfolio Value</u>	<u>Annual Fee (%)</u>
\$0 to \$499,999	1.50%
\$500,000 to \$1,999,999	1.05%
\$2,000,000 to \$4,999,999	0.67%
\$5,000,000 and over	0.52%

Minimum Account Size:	\$250,000
Minimum Quarterly Fee:	\$750

***All Other Fixed Income Portfolios***

<u>Portfolio Value</u>	<u>Annual Fee (%)</u>
\$0 to \$1,999,999	1.05%
\$2,000,000 to \$4,999,999	0.67%
\$5,000,000 and over	0.52%

Minimum Account Size:	\$500,000
Minimum Quarterly Fee:	\$1,050

Program Fees are charged quarterly, in arrears. This means that clients are charged one-quarter of the annual fee at the end of each three-month period. The management fee is based upon the average daily value (market value or fair market value in the absence of market value) of the client's account throughout the preceding quarter. Clients will typically authorize AMR to directly debit AMR's advisory fee from their accounts.



## **General Fee Information**

***What services are covered by the Program fees?*** The Program fees pay for our firm's advisory services to clients under the Program, and brokerage services for the Program accounts are conducted through TD Ameritrade Institutional, a division of TD Ameritrade Inc. (collectively with all affiliates and subsidiaries, "TD Ameritrade")<sup>3</sup>.

***What services are not covered by the Program fees?*** The Program fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than TD Ameritrade and custody charges if client assets are custodied anywhere other than TD Ameritrade. The Program fees do not include the expenses associated with mutual funds, ETFs, or CEFs (such as fund management fees charged to each fund's investors), mark-ups, mark-downs, spreads paid to market makers, and/or odd-lot differential fees.

***Other Fees and Expenses.*** Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, IRA custodial fees, safekeeping fees, wire transfer fees, interest charges on margin loans, exchange fees, and fees for transfers of securities.

***Additional Information about Program Fees.*** Under the Program, the participant receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified Program Fee. Clients are cautioned that depending on the level of fees charged by the executing broker-dealer, and the amount of portfolio activity in the clients' account, the value of the services provided under this Program may exceed the total cost of such services had they been provided separately. In addition, the Program Fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

***Negotiability of Fees.*** In certain circumstances, our fees may be negotiable. Further, we may waive or discount fees for family members and friends of the owner and employees of our firm. These fee waivers or discounts are not generally available to all advisory clients of AMR.

***Grandfathering of Fees.*** A pre-existing advisory client may be subject to AMR's Program fees in effect at the time that client entered into the advisory relationship. Therefore, our firm's fees will differ among clients.

***Termination of the Advisory Relationship.*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any unpaid fees will be due and payable.

***Fund Fees.*** All fees paid to AMR for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs, and CEFs (each a "Fund" and, collectively, the "Funds") to their shareholders. These fees and expenses are described in each Fund's prospectus. These fees will generally include a management fee, other fund expenses,

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<sup>3</sup> For information regarding TD Ameritrade, please refer to their website: <http://www.tdameritrade.com>.

and a possible distribution or marketing fee, known as a 12b-1 fee. These 12b-1 fees are considered an operational expense and, as such, are included in a fund's expense ratio. Our firm does NOT receive any portion of these fees.

A client could invest in a Fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which Fund or Funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the Funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Advisory Fees in General.*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for higher, similar, or lower fees.

***Limited Prepayment of Fees.*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **Item 5: Account Requirements and Types of Clients**

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As previously disclosed above in Item 4 – Services, Fees and Compensation our firm has established certain initial minimum account and minimum fee requirements based on the nature of the services being provided. For a more detailed understanding of these requirements, please review the disclosures provided for each applicable service.

In addition, Program clients must direct AMR as to the broker dealer/custodian to be used in managing their account. As a condition for program participation, clients are required to direct us to custody their assets with and to place trades through TD Ameritrade Institutional. TD Ameritrade Institutional is an unaffiliated FINRA-member broker dealer and the clearing firms and custodians that we use for brokerage accounts. We have negotiated arrangements with TD Ameritrade Institutional to provide custodial and brokerage services as part of the Program. As such, we reserve the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than TD Ameritrade Institutional. Please refer to the "Other Financial Industry Activities and Affiliations" section of Item 9 for additional information.

We provide advisory services in the Program, where appropriate, to individuals, high net worth individuals, trusts, estates, charitable organizations, and retirement plans.

## **Item 6: Portfolio Manager Selection and Evaluation**

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### **Portfolio Manager Selection**

As previously disclosed, all participating clients' assets are managed by advisory personnel of our firm. These individuals must possess, minimally, a college degree and/or appropriate business experience and all required licenses. Please refer to Item 4 – Services, Fees and Compensation, for detailed disclosures regarding the portfolio management services we provide to Program clients.

### **Portfolio Performance Reporting**

AMR has adopted a policy and procedures designed to ensure that account reporting of client portfolios and investments reflect current, fair and accurate market valuations. In general, we rely on our qualified custodian holding client assets for timely valuation information of advisory client securities. Whenever valuation information for illiquid, foreign, private or other investments is not available through pricing services or custodians, AMR will obtain and document price information from at least one independent source, whether a broker-dealer, bank, pricing service or other reputable source.

AMR utilizes Morningstar Office programming to calculate performance reporting. Client statements are sent using Internal Rate of Return (IRR). AMR does not produce reports for prospective clients however we may track composite performance of clients in common strategies using Time Weighted Returns (TWR). We also require periodic, random, internal reviews of account reports to identify any incorrect, stale or mispriced securities. Although we consistently apply our methodology, we do not engage a third party to conduct reviews of performance information nor do we seek to comply with any particular industry standard when calculating portfolio performance.

### **Performance-Based Fees**

We do not charge performance-based fees for the services provided in the Program (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Methods Of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental Analysis.*** We attempt to gauge the intrinsic value of securities, industries, sectors, regions and asset classes by looking at economic and financial factors (including traditional measures of valuation, the overall economy, industry conditions, and financial conditions) to determine if a security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate general market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating a security.

**Technical Analysis.** Technical analysis involves the analysis of past market movements and the application of that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to predict future price movement.

Charting and cyclical analysis are types of technical analysis that we may use. Charting involves the review of charts of market and security activity in an attempt to identify when the market will move up or down and to predict how long the trend may last and when that trend might reverse. Cyclical analysis involves measuring the movements of a particular security relative to the overall market in an attempt to predict the price movement of the security.

Technical analysis does not consider the underlying financial conditions of a security. This presents a risk in that a poorly-managed or financially unsound investment may underperform regardless of market movement.

**Fund Analysis.** We look at the experience and track record of the manager of a mutual fund, ETF, and CEF, (each a “Fund” and, collectively, the “Funds”) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a Fund in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client’s portfolio. We also monitor the Funds in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of Fund analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a Fund, managers of different Funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the Fund, which could make the holding(s) less suitable for the client’s portfolio.

**Risks for All Forms of Analysis.** Our securities analysis methods rely on the assumption that the rating agencies and other publicly-available sources of information about the securities we purchase and sell are providing accurate data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. Additionally, the data we review is often subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be factors that determine the value of securities other than those considered in our fundamental and technical analysis.

## **Investment Strategies**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons:

***Asset Allocation.*** In implementing our clients' investment strategy, we begin by attempting to identify an appropriate ratio of equities, fixed-income, and cash (i.e. "asset allocation") suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Long-Term Purchases.*** This strategy involves the purchasing of securities with the idea of holding them in a client's account for a year or longer. We typically employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline in value before we make the decision to sell. Further, using a long-term purchase strategy generally assumes the financial markets will generate a positive total return (capital appreciation plus income) in the long-term which may not be the case. There is also the risk that the segment of the market or a particular investment in which we are invested will decline in value over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost by "locking-up" assets that may be better utilized in the short-term in other investments.

***Short-Term Purchases.*** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. Using a short-term purchase strategy generally assumes that we can predict how financial markets and/or individual securities will perform in the short-term which may be very difficult. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times. Therefore, a short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Options:** On occasion options strategies may be employed. When utilized, these strategies are generally used as a supplement to other investment designs. Strategies can vary depending on client's needs. Commonly, use of options will be for income generation, including selling of puts and covered calls. Purchase of calls or puts may also be used, either for the prospects of capturing some equity upside or protecting from some portion of the downside. In general, AMR does not seek to use options to leverage risk.

**Margin:** In most instances, AMR does not use margin transactions as an investment strategy. However, we may recommend, where appropriate, that a client establish a margin account with the client's broker. In this situation, if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale. When options strategies are utilized, use of margin is more likely to be encouraged.

### **Risk of Loss**

AMR's investment approach constantly keeps the risk of loss in mind. Investors face various investment risks including the following:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of an equity, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a equity's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Listed above are some of the primary risks associated with the way we manage our clients' portfolios. Please do not hesitate to contact us to discuss these risks and others in more detail. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

### **Voting Client Securities**

We do not vote client securities. Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore, AMR and/or the client shall instruct each custodian of the applicable assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We also do not typically provide advice to clients regarding the clients' voting of securities.

## **Item 7: Client Information Provided To Portfolio Managers**

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Individuals affiliated with our firm are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, we assist in determining a participant's profile for the Program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is jointly determined based on an assessment of the information provided by the client.

While we provide the client with periodic reminders, it remains the client's responsibility to advise us of any changes to the information previously provided that might impact the ongoing suitability of any prior determined investment strategy(ies) and/or objectives. We will promptly communicate any reported changes to the client's portfolio manager.

## **Item 8: Client Contact with Portfolio Managers**

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AMR does not place any restrictions on a client's ability to contact and consult with their portfolio managers. All clients have direct access to the AMR professional(s) managing their account(s).

## Item 9: Additional Information Disciplinary Information

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### **Disciplinary Information (Form ADV Part 2A Item – 9)**

We are required to disclose 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. Our firm and our management personnel have no reportable disciplinary events to disclose.

### **Other Financial Industry Activities and Affiliations (Form ADV Part 2A Item – 10)**

AMR is not registered as a broker-dealer, and none of our management persons are registered representatives of a broker-dealer.

AMR is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Certain management persons and other employees of AMR are separately licensed as insurance brokers with one or more insurance companies. As insurance brokers, these individuals may be able to sell insurance and insurance-related investment products to clients, for which they may receive separate and/or additional compensation (e.g., commissions). Our clients are not under any obligation to engage these individuals when considering implementation of investment recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of insurance or other compensation by management persons or other employees of AMR creates a conflict of interest that may impair the objectivity of the advice given by these individuals on behalf of the firm when making advisory recommendations. We endeavor at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for us to earn compensation from insurance sales or the referral of clients to other registered investment advisers in addition to our advisory fees;
- we disclose to clients that they are not obligated to purchase recommended insurance or insurance-related investment products from our employees;
- we disclose to the client in a separate disclosure document and/or advisory contract the compensation we receive in exchange for the client's referral to the selected investment adviser;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we conduct initial and periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients;



- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Michael J. Perna also acts as a tax preparer for Perna Financial Tax Services. AMR has no affiliation with Perna Financial Tax Services. Existing clients of Perna Financial Tax Services may also become clients of AMR; however, clients are not obligated to use Perna Financial Tax Services for their tax preparation needs. Clients may work with any tax preparer they choose.

While AMR has some existing relationships where client accounts are being managed by outside managers, this is no longer a service being offered to clients. AMR no longer selects or recommends other investment advisers to manage client accounts.

#### **Code of Ethics (Form ADV Part 2A Item – 11)**

Our firm has adopted a Code of Ethics (the Code) which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. AMR and our personnel owe a duty of loyalty, fairness and good faith to our clients, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code.

AMR's Code includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code requires that anyone associated with this advisory practice with access to advisory recommendations, client holdings or other specified information ("access persons") provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's designated officer. These reports are made available to an appropriate regulatory agency upon request and will be reviewed on a regular basis by the firm's Manager, Chief Executive Officer, and Chief Compliance Officer, J. Christopher Boyd, or his designee, to supervise compliance with the firm's Code.

Our Code also contains oversight, enforcement and recordkeeping provisions. A copy of our Code is available to our advisory clients and prospective clients. You may request a copy by email to [info@AMRfinancial.com](mailto:info@AMRfinancial.com), or by telephone at (508) 771-8900.

#### **Summary of Personal Trading Policy**

Our firm, management persons and other employees may buy or sell securities for their personal accounts that are identical to or different from those recommended to our clients. In addition, the firm and these individuals may have an interest or position in a security which may also be recommended to a client. As these situations represent actual or potential conflicts of interest with our clients, we have taken the following steps to assure that: (i) the personal securities transactions of our firm and employees will not interfere with making and implementing decisions in the best interest of our advisory clients; (ii) our firm complies with its regulatory obligations; and (iii) we provide our clients with full and fair disclosure of such conflicts of interest.

In our effort to protect clients' interest, we do the following:

- Prohibiting the firm, its management persons and employees from:
  - Putting their own interest above the interest of an advisory client.
  - Buying or selling securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
  - Purchasing or selling any security immediately prior to a transaction(s) in the same securities being implemented for an advisory account.
- Our firm requires prior approval for any IPO or private placement investments by an access person of the firm.
- We require all Access Persons to report Personal Securities Holdings and Transactions. These reports are reviewed on a regular basis.
- We have established procedures for the maintenance of all required books and records.
- We require all our management persons and other employees to act in accordance with all applicable state and federal regulations governing registered investment advisory practices.
- We provide each employee of our firm with a copy of our Code on an annual basis.
- We have established policies requiring the reporting of Code violations to our Managing Member and Chief Executive Officer, J. Christopher Boyd.
- Any individual who violates any of the above restrictions may be subject to termination.

### **Aggregation of Employee Trades With Client Transactions**

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price. Transaction costs will be charged a fixed, per-trade fee or a fee based on the number of shares traded for each client (depending upon the individual client's agreement with the applicable custodian/broker). In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro rata, with each account paying the average price. Our employee accounts will typically be included in the pro rata allocation.

Please review the disclosures in Item 12 of this Brochure for a more detailed understanding of the firm's trade aggregation policies and procedures.

### **Principal/Cross Transactions**

AMR and individuals associated with our firm are prohibited from engaging in principal transactions. A principal transaction is a transaction where AMR or a person associated with AMR, as principal, buys securities from, or sells securities to, an AMR client.

It is also AMR's policy that the Firm will not affect any agency cross securities transactions for client accounts nor cross trades between client accounts.

### **Review of Accounts (Form ADV Part 2A Item – 13)**

**Reviews:** While the underlying securities within these accounts are continually monitored, these accounts are reviewed on at least a quarterly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by any of the following: Michael J. Perna, CFP®, MBA Investment Advisor Representative; Brian J. Regan, CFA®, Chief Investment Officer; Scott A. Birmingham, CFP®, CDFA®, ChFC, CAP, CLU, Investment Advisor Representative; and/or J. Christopher Boyd, CFP®, CASL®, Manager, Chief Executive Officer and Chief Compliance Officer.

**Reports:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, we provide quarterly reports summarizing account performance and balances.

### **Client Referrals and Other Compensation (Form ADV Part 2A Item – 14)**

AMR receives compensation based on prior referral arrangements. AMR no longer offers these services; however, the Firm continues to receive compensation based on the terms of the agreement with the outside adviser.

### **Other Compensation**

As insurance brokers, our management persons and other employees are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products. While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

We address these conflicts by reviewing recommendations made to our clients to determine that all recommendations are consistent with the best interests of our clients. Please see the disclosure in Item 5 of this Brochure for additional information about how we manage these conflicts of interest.

As disclosed under Item 12 above, AMR participates in TD Ameritrade's Institutional advisor program and AMR may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between AMR's participation in the Program and the investment advice it gives to clients, although AMR receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving AMR participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for AMR order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AMR by third- vendors. TD Ameritrade may also have paid for business consulting and professional services received by AMR's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit AMR but may not benefit its client accounts. These products or services may assist AMR in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help AMR manage and further develop its business enterprise. The benefits received by AMR or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, AMR endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AMR or its related persons in and out of itself creates a potential conflict of interest and may indirectly influence AMR's choice of TD Ameritrade for custody and brokerage services.

AMR may receive succession planning, practice valuation, and equity management services from third-party vendors through AMR's participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, AMR may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with AMR and there is no employee or agency relationship between TD Ameritrade and AMR. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise AMR and has no responsibility for AMR's management of client portfolios or AMR's other advice or services to clients.

AMR's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. AMR may encourage their clients to custody their assets at TD

Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, AMR may have an incentive to recommend to clients that the assets under management by AMR be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. AMR's participation in the TD Ameritrade Institutional Equity Management Program does not relieve AMR of the duty to seek best execution of trades for client accounts.

**Financial Information (Form ADV Part 2A Item – 18)**

As an advisory firm that maintains discretionary authority for client accounts and custody of client funds, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. AMR has no additional financial circumstances to report and has never been the subject of a bankruptcy petition.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to provide a balance sheet.