



# **Blueprint Wealth Management, LLC**

Registered Investment Adviser  
CRD # 169997

340 Heald Way, Suite 226  
The Villages, FL 32163  
(352) 674- 3911

Form ADV Part 2A  
Firm Brochure  
December 15, 2021

This brochure provides information about the qualifications and business practices of Blueprint Wealth Management, LLC. Please contact our Chief Compliance Officer at (352) 674- 3911 if you have any questions about the content of this brochure

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Blueprint Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 169997.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 - Material Changes**

This is an original filing of Blueprint Wealth Management, LLC's Form ADV Part 2A firm brochure pursuant to its registration with the SEC as an investment adviser and supersedes all previous versions. This document has been modified to address requirements of an SEC-registered firm and therefore clients and prospective clients are encouraged to review this firm brochure in its entirety.

Our firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (352) 674- 3911 to request a copy at any time.

### **Item 3 - Table of Contents**

Item 1 - Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	6
Item 6 - Performance-Based Fees and Side-By-Side Management.....	8
Item 7 - Types of Clients .....	8
Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss .....	9
Item 9 - Disciplinary Information.....	18
Item 10 - Other Financial Industry Activities and Affiliations.....	19
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	20
Item 12 - Brokerage Practices .....	21
Item 13 - Review of Accounts.....	25
Item 14 - Client Referrals and Other Compensation .....	26
Item 15 - Custody .....	26
Item 16 - Investment Discretion.....	27
Item 17 - Voting Client Securities .....	28
Item 18 - Financial Information .....	28

### **Information Found in this Document**

Throughout this document Blueprint Wealth Management, LLC may be referred to as “the firm,” “firm,” “our,” “we,” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, including legal entities and natural persons. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, regulatory term/reference, etc.).

Our firm maintains a business continuity and succession plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover upon request.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may be obtained by contacting the securities commission in the state where the client resides.

## **Item 4 - Advisory Business**

### ***Description of the Firm***

Blueprint Wealth Management, LLC is a Florida domiciled limited liability company formed in December of 2013. We operate under the trade name Blueprint Wealth Management. Gregory J. Parady is the firm's Manager, and he maintains all controlling interest (shares).

Our original registration as an investment adviser occurred in May of 2014 with the State of Florida and has since changed to an SEC registration during December of 2021. Our firm and its associates may register, notice file, or meet exemptions to registration and/or notice filing in other jurisdictions in which we conduct investment advisory business.

Blueprint Wealth Management is not a subsidiary of another financial services industry entity, but we have several industry affiliates or related parties that are described in further detail in Item 10 of this brochure.

We do not offer traditional financial planning, nor do we sponsor or serve as portfolio manager for wrap fee investment programs. As of November 23, 2021, our firm had over \$104.8 million in reportable assets under management on a discretionary trading authority basis.

### ***Description of Firm Services***

During or prior to our first meeting the client will be provided with our Form ADV Part 2A firm brochure and Form CRS. Our firm will disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Items 10 through 12 of this brochure.

An associate of our firm will hold one or more discussions with the client and conduct an analysis to determine the client's financial needs, goals, holdings, etc. Depending on the scope of the engagement, a client may be asked to provide copies of the following documents early in the process:

- completed questionnaire or other forms provided by our firm
- statements reflecting current investments in retirement and non-retirement accounts
- stock options and stock purchase plan agreements
- information on current retirement plans and other benefits provided by an employer
- current financial specifics including W-2s, 1099s, K-1 statements, etc.
- wills, codicils, and trusts
- insurance policies, including information about riders, loans, and amendments
- mortgage information
- tax returns (current and prior years)
- divorce decree or separation agreement, and
- employment or other business agreements.

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement, and that it is accurate. Our firm may, but is not obligated to, verify the information that has been provided to us which will then be used in the advisory process.

Our review will include a client's investment objectives, time horizon, and tolerance for risk. In accordance with Rule 3a-4 of the Investment Company Act (as amended), we will allow for reasonable account constraints a client may have for their portfolio. For example, our clients have the right to exclude certain securities from their portfolio, such as derivatives, "sin stocks," etc. Investment guidelines are designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. We will then work with the client to develop a portfolio tailored to their unique situation and goals. Depending on the client's profile and goals, among other considerations, their portfolio will involve the employment of one or more suggested investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles that are further discussed in Item 8 of this brochure.

### ***Investment Supervisory Services***

Through our investment supervisory services offering we develop a customized portfolio for the client where we serve as portfolio manager under a discretionary or non-discretionary agreement (refer to Item 16), and the engagement includes:

- Determination of risk tolerance
- Investment strategy
- Investment guideline development
- Asset allocation
- Asset selection
- Regular monitoring
- Periodic rebalancing

### ***Investment Management Services***

Eligible clients may choose to engage a third-party investment manager via our firm to implement a portion, or their entire portfolio. Note that clients are often required to maintain a minimum account size to be eligible for these services, and certain third-party investment managers may require a higher asset-level to invest in their program. We will inform interested clients in advance of each external investment manager's minimum investment criteria.

Prior to recommending a third-party investment manager, we will conduct what is believed to be an appropriate level of due diligence that will include ensuring the third-party investment manager is appropriately registered or notice-filed within the client's state of residence. Under this engagement we will gather input from the client about their financial situation, investment objectives, and any reasonable account restrictions that we will then provide to the third-party investment manager to develop the portfolio.

Third-party managers will invest on behalf of a client account in accordance with the strategies set forth in their own disclosure documents which will be provided to the client by our firm prior to employing their strategies. The selected third-party investment manager typically assumes discretionary authority over an account (see Item 16), and some of these programs are not available for those clients who prefer an account to be managed under a non-discretionary engagement or who have other unique account restrictions. At least annually thereafter a review will be performed from both a compliance and performance perspective to determine whether the selected third-party investment manager remains an appropriate fit for the client's portfolio.

## ***Retirement Plan Rollovers***

If a client desires to conduct an account rollover from their employer-sponsored plan, after an analysis of the client's situation and their retirement plan documents, we will consider (but not limit) the following relevant factors:

- Are there alternatives to the employer plan rollover, including leaving the money in an employer's retirement plan (if permitted)?
- What are the fees and expenses associated with both the employer's plan and the rollover IRA?
- Does the employer currently pay for some or all the plan's administrative expenses?
- What are the different levels of services and investments available under the employer plan and the rollover IRA?
- What are the long-term impacts if there are increased costs?
- Is the rollover appropriate notwithstanding any additional costs?
- What is the impact of economically significant investment features such as surrender schedules and indexed annuity cap and participation rates (such as in an employer-sponsored 403(b) plan account)?

## **Item 5 - Fees and Compensation**

### ***Investment Supervisory Services Accounts***

Blueprint Wealth Management charges its investment supervisory services clients an advisory fee that is based on a percentage of the market value of the assets that we manage. We do not assess account opening or administrative "set-up" fees. Our asset-based fee is charged quarterly, in advance. If authorized in writing by the client, the fee is withdrawn directly from each client's account maintained by a qualified, unaffiliated custodian. Our maximum annualized asset-based fee is 2.5% (250 basis points), in which one-fourth of the fee is charged each calendar quarter based on the market value of those assets at the end of that quarter. We may adjust the advisory fees we charge any client after providing 30 days prior written notice.

***Formula: ((calendar-quarter market value) x (applicable annualized number of basis points)) ÷ 4***

For example, an account under our management at our custodian with account assets valued at \$500,000 on the last market day of the calendar quarter would be assessed \$3,125. Formula:  $\$500,000 \times 250 \text{ bps} = \$12,500 \div 4 = \$3,125$  quarter fee.

Term of service, fees charged, etc., will be stated in the firm's engagement agreement with each client. Our published fees are negotiable. We may adjust the fee we charge a client based on a variety of factors, including, but not limited to the:

- size of the relationship – larger accounts may receive more favorable pricing
- level of services required – accounts requiring more services may have higher fees, and
- level of trading activity and active portfolio management – actively managed accounts generally have higher fees than accounts that have less trading (e.g., fixed income accounts or "buy and hold" portfolios).

Accounts will be valued in accordance with the values disclosed on the statement the client receives from their custodian of record for the purpose of verifying the computation of the advisory fee. Portfolios contain widely traded securities; however, in the rare absence of a reportable market value, our firm may seek a

third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if they believe it to be necessary.

If a client enters into an investment supervisory services relationship on a day other than the first day of a calendar quarter, we will prorate our fee based on the number of days remaining in the quarter. Similarly, if a client terminates an investment supervisory services relationship with us on a day other than the last day of a calendar quarter, we will prorate our fee based on the number of days during the quarter that our investment supervisory services were provided and will promptly refund any prepaid but unearned portion of the fee.

By signing the firm’s agreement, as well as the custodian account opening documents, the client will be authorizing the withdrawal of transactional (see following section) and our investment supervisory services fees from their account. All fees will be noted on account statements provided by the custodian of record. The withdrawal of these fees will be accomplished by the selected custodian, not by our firm, and the custodian will remit our fee directly to our firm. If a client’s account is held by a custodian with whom our firm does not maintain an agreement, or the client prefers to directly pay our firm, we will invoice either the client or their custodian for the fee payment within 15 business days of each billing cycle. The invoice will include the total fee assessed, covered time period, calculation formula utilized, basis for the fee according to the contract, and the name of the “held-away” account’s custodian.

### ***Third-Party Investment Management Accounts***

Each third-party investment manager program has a stated fee range that will be described via that external investment manager’s disclosure documents prior to the selection of the third-party investment manager. The total third-party investment management annualized asset-based fee will not exceed 3.00% (300 basis points), which would be considered an excessive fee. The fee is paid to the third-party investment manager in advance or arrears, on a monthly or quarterly basis, per the selected third-party investment manager’s disclosures. Our firm receives a portion of that fee for our due diligence, assistance in the selection, and ongoing consultation for this form of advisory services engagement, and our fee will be described in the engagement agreement. Account fees, including debits and credits, will be noted on account statements that the client receives from the custodian of record. The client’s written authorization is required in order for the custodian of record to deduct advisory fees their account. By signing the custodian account documents, the client is authorizing the withdrawal of advisory fees. The withdrawal of advisory fees will be accomplished by the custodian of record. Most third-party investment managers do not allow for direct payment (e.g., payment by check, etc.). Our portion of the advisory fee will be remitted directly to our firm via the third-party investment manager. We are not directly involved in the billing process of third-party investment management accounts.

### ***Termination of Services***

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. Blueprint Wealth Management will not be responsible for investment allocation, advice, or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record and/or third-party investment manager that the relationship between the firm and the client has been terminated.

The client has the right to terminate the engagement without penalty within five business days after entering into the agreement with our firm. When an investment supervisory services client terminates their agreement after the five-day period, the client will be assessed fees on a prorated basis for services incurred

from either (i) as a new investment supervisory services client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other investment supervisory services accounts, the last billing period to the date of the firm's receipt of termination notice. Our firm will return any of its prepaid, unearned fees within 30 days of our receipt of termination notice.

The return of third-party investment management fees would be in accordance with the policies disclosed in the selected third-party investment management agreement. If a third-party investment manager assesses fees in advance, our firm is under no obligation to return fees to a client who terminates their advisory contract with the third-party investment manager before the end of the billing period. The return of payment will occur via the third-party investment manager.

### ***Potential for Additional Fees***

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, custodian account termination fees, or wire transfer fees will be borne by the account holder per the custodian of record's separate fee schedule. Advisory fees paid by our clients may be separate from internal fees or charges a client may pay for mutual funds, exchange-traded funds (ETFs) or other similar investments. Additional information about our fees in relationship to our "brokerage practices" are noted in Items 10 and 12 of this document.

We do not charge or receive a commission or mark-up on a client securities transaction, nor do we receive SEC Rule 12b-1 fees ("trails") from a mutual fund company that we recommend to an advisory firm client. Fees charged by issuers are detailed in prospectuses or product descriptions and the client is encouraged to read these documents before investing. Our clients retain the right to purchase recommended or similar investments through their own service provider.

When there is the potential for the receipt of a commission and other similar compensation via an insurance product transaction (e.g., purchase of a fixed annuity, life insurance policy, etc.) or other fees based on accounting or tax preparation services, an associate of our firm that is licensed insurance agent or accountant has an incentive to make such a recommendation based on compensation they may receive rather than a client's need. Our advisory firm and its associates take their responsibilities seriously and only intend to recommend investments, insurance, accounting, or investment advisory services that we believe appropriate for each client. Please refer to Items 10 and 11 of this firm brochure, in addition to Items 2 and 4 of an associate's Form ADV Part 2B brochure supplement for details.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

### **Item 7 - Types of Clients**

Blueprint Wealth Management provides its services to individuals and high-net-worth individuals. We encourage interested parties of all economic levels to seek our advisory services; we do not require minimum income, minimum asset levels or other similar preconditions. We will inform the client in advance of any account requirements of this nature involving recommended third-party investment managers. Our firm reserves the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, or preexisting relationships. We also reserve the right to decline services to any client or prospective client for any non-discriminatory reason.



## **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**

### ***Methods of Analysis***

We utilize fundamental analyses, evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Our research is often drawn from sources that include financial periodicals, corporate rating services, research reports from economists and other industry professionals, company press releases, regulatory filings, and annual company reports.

As previously noted in Item 4, in order to determine how to manage a client's investment assets, we gather information from the client that includes their:

- current financial situation (employment status, income, net worth, etc.)
- investment goals and objectives, including the client's current and long-term needs
- tolerance and appetite for risk, and
- investment experience and level of investment knowledge.

Based upon this information, we determine which of investment strategies appear to best meet the needs and objectives of the client.

### ***Investment Strategies***

We recognize that each client's needs, goals, and tolerance for risk are different, subsequently, portfolio strategies and underlying investment vehicles will vary based on the client's requirements as well as the selected portfolio manager. The following strategies sample the general types of strategists that may be suggested. It is common to find a broad range of mutual funds and ETFs as the primary investment vehicle, however, individual equities and fixed income instruments (stocks and bonds) may be included when appropriate. The specifics of each portfolio manager's strategy and types of investments employed will be described in detail in their own Form ADV Part 2A firm brochure.

### **Active Management**

Active portfolio management involves a conscious decision-making process which deviates from a particular market-neutral position (i.e., a benchmark such as the S&P 500) in an effort to generate excess returns over full market cycles (typically 5-10+ years). These strategies can be more concentrated (fewer portfolio holdings) as well as more volatile (swings in portfolio value) relative to their respective benchmarks, and fees are traditionally higher than those paid for passive, or indexing, portfolios. Successful active management strategies are expected to achieve superior risk-adjusted returns relative to their benchmark over 5+ year time horizons with some measure of consistency, while unsuccessful strategies may underperform either before or after portfolio management fees are deducted. Investors wishing to outperform the market or achieve a comparable rate of return while employing active risk-management techniques, may choose to employ active investment management strategies.

### **Core + Satellite**

A Core + Satellite investment strategy blends passive and active investing, where passive investments are used as the basis or "core" of a portfolio and actively managed investments are added as "satellite" positions. The portfolio core holdings are typically indexed to potentially more efficient asset classes, while outlying selections are generally a limited number of active holdings in an attempt to outperform a particular category (sector), or a selection of particular positions to increase core diversification, or to improve portfolio performance.

For example, the core of a portfolio may be built with mutual funds or ETFs; satellite holdings would include active investments (e.g., equities or actively managed mutual funds) with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle.

#### Long/Short Investing

The objective of long/short investment strategy is to seek risk-adjusted returns with low market correlation. A portfolio manager attempts to accomplish this objective primarily through a combination of long investment positions and short selling to achieve capital appreciation while attempting to preserve capital and mitigate risk through hedging activities. This strategy principally involves using equities and equity-based ETFs, but may also involve non-equity ETFs (i.e., bond ETFs, commodity ETFs).

#### Market Timing

Some investment managers employ market timing strategies: short-term ("tactical") positions may occasionally be employed to take advantage of capital appreciation opportunities in underpriced/oversold securities or to capture gains from overpriced/overbought securities or market segments.

#### Modern Portfolio Theory

Modern Portfolio Theory centers around the idea of creating an efficient, or optimized, portfolio by combining various securities, asset classes, and investing styles with the goal of maximizing expected future return for each unit of expected risk. Long-term historical risk, return, and cross-asset correlation data and trends are utilized as a baseline for developing forward-looking risk and return expectations for individual investment categories or styles. These assumptions may then be adjusted to account for prevailing market or economic conditions, anticipated demographic shifts or changes in investor demand and fund flows, and shifts in perceived tail-risk probabilities to better account for current market environments.

#### Passive Management

Passive management involves investing in a portfolio intended to mirror the returns and risk characteristics of a broad-market index (e.g., S&P 500, NASDAQ 100, etc.). Various approaches are employed to achieve this result with varying levels of success. With passive strategies, two primary factors for consideration are the strategies' success with replicating benchmark risk and return profiles and the cost associated with employing the strategy. Investors more concerned with excessive fees than excess or risk-managed returns will generally prefer to invest through these types of strategies.

#### Tax Conscious Investing

Depending on client circumstances and the type of account in question, tax-conscious investment strategies may be utilized to reduce the impact of taxes on the client's portfolio. Types of investment strategies which could satisfy this objective include low turnover portfolios such as long-term active investment management focusing on growth or qualified dividend income, passive/indexing strategies, municipal bond portfolios, and tax-focused active investment management strategies.

#### Value Investing

Value investing involves buying above-average positions (holdings) at below-average prices. Conversely, when a holding is considered over-priced, it becomes a candidate to be sold. The analysis to determine buying or selling is typically supported by a deep understanding and fundamental analysis of business, industry, as well as overall economy.

### ***Risk of Loss***

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

### ***Active Portfolio Management***

A portfolio that employs a range of active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, potentially reducing or negating certain benefits of active asset management.

### ***Catastrophic Risk***

Natural or man-made catastrophes can disrupt financial markets and impact securities prices. Examples include terrorist attacks, natural disasters, war, etc. Investment companies can use “exigent circumstances” or “force majeure” as a defense against claims of loss by investors.

### ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

### ***Concentration Risk***

When a portfolio focuses on an asset-class, country, region, industry, investment sector, or a type of investment, that portfolio can be subject to greater fluctuations in value based on that concentration compared to a portfolio that is more broadly diversified across a wider variety of investments.

### ***Core + Satellite Strategies***

Strategies involving Core + Satellite investing may have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark.

### ***Country/Regional Risk***

World events such as political upheaval, financial troubles, or natural disasters will adversely affect the value of securities issued in foreign countries or regions. This risk is especially high in emerging markets where securities may be substantially more volatile and less liquid than securities in more developed countries. Because a mutual fund may invest a large portion of its assets in securities located in any one country or region, including emerging markets, its performance may be hurt disproportionately by the poor performance of its investments in that area.

### Currency Risk

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

### Defensive Risk

Due to concerns about possible market declines, on occasion we may allocate a portion of a portfolio to cash or cash equivalents. In doing so, we may miss opportunities to realize subsequent increases in the value of other investments.

### Derivatives Risks

The use of futures contracts, forward contracts, options, and swaps is subject to market risk, leverage risk, correlation risk, liquidity risk and hedging risk. Market risk is the risk that the market value of an investment may move up and down, sometimes rapidly and unpredictably. Leverage risk is the risk that since derivatives may be purchased for a fraction of their value, a relatively small price movement in a derivative may result in an immediate and substantial loss or gain for an account and may cause an account to liquidate portfolio positions when this would not be advantageous to do so in order to satisfy account obligations. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly or at all with the underlying asset, rate, or index. Liquidity risk is described below. Hedging risk is the risk that derivative instruments used for hedging purposes may also limit any potential gain that may result from the increase in value of the hedged asset. To the extent that an account engages in hedging strategies, there can be no assurance that these strategies will be effective or that there will be a hedge in place at any given time. An account's use of forwards and swaps also is subject to credit risk and valuation risk. Credit risk is the risk that the counterparty to a derivative contract will default or otherwise become unable to honor a financial obligation. Valuation risk is the risk that the derivative may be difficult to value. Options risk is more fully described below. Each of these risks could cause an account to lose more than the principal amount invested in a derivative instrument.

### Distressed Securities

Distressed securities, whether debt or equity instruments, are issued by a company that is near or currently going through bankruptcy. A security can be considered "distressed" if it fails to maintain certain covenants, such as the requirement to meet specific bond obligations, or the inability to maintain a particular "asset to liability ratio," or credit rating. As a result, these financial instruments suffer substantial reduction in their value. Due to implicit risk, they offer higher-risk investors the potential for high returns ("buy-low, sell-high"). Obviously, since they are "distressed," they have a higher risk of failure and can fall to a "worthless" status.

### Emerging Markets Securities Risks

Investments in emerging markets securities are considered speculative and subject to heightened risks in addition to the general risks of investing in foreign securities. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid, and economies that are less developed. In addition, the securities markets of emerging market countries may consist of companies with smaller market capitalizations and may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital. Furthermore, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies.

### Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### ETFs and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, commodities, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by “active risk,” a deviation from its stated index (e.g., S&P 500).

The liquidity of the underlying stocks in the index can affect “ETF liquidity.” Liquidity risk can result from an insufficient number of Active Participants performing their duties as intermediaries and liquidity providers in the ETF market. “Spread risk” may also occur, which is the difference between the bid and the ask price of a security. Due to the fact that ETF transactions are priced throughout the day and are traded on the exchanges like stocks, widening spreads may occur and have impact on certain portfolios or transactions. As with any security, if the ETF “fails,” the investor may lose their gains and invested principal.

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF or mutual fund), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds “reset” daily, which means they are designed to achieve their stated objectives on a *daily basis*. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs should not be employed in portfolios where a “buy-and-hold” philosophy is important.

There are essentially nine main types of mutual fund shares classes, as well as sub-classes for some of these. Some mutual funds are sold through brokerage firms and assess a commission (“load”) in addition to their underlying fees earlier noted, while others are offered through investment advisers, retirement plans and other institutions. “No load” funds are also available to the public through brokerage firms, and they usually incur trading (brokerage) fees.

If a client chooses to purchase a mutual fund through a broker/dealer on their own, they should consider the trading fees, internal operating costs, as well as potential commissions they may pay through that executing firm. Our firm is not a broker/dealer, nor are we or our staff associated with a broker/dealer, and (per Items 5 and 10) is not compensated by a "loaded" fund.

### Financial Risk

Excessive borrowing to finance business operations increases the risk of profitability, because a 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.

### Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

- Call Risk - During periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The owner of the bond would then lose any potential price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the owner's income. Call risk is generally low for short-term bond funds, moderate for intermediate-term bond funds, high for long-term bond funds, and high for high-yield bonds.
- Credit Risk - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. Bondholders are creditors of an issuer and have priority to assets before equity holders (e.g., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates. The longer the maturity of the bond, the more sensitive its value is to changes in interest rates. Bond prices and interest rate changes are inversely correlated.
- Prepayment Risk - The prepayment risk is the premature return of principal on a fixed-income security. When principal is returned early on a security, future interest payments will not be paid on that part of the principal. The owner of the security would lose any price appreciation above the principal and forced to reinvest the unanticipated proceeds possibly at lower interest rates, resulting in a decline of dividends, income, and returns. The risk of prepayment is most prevalent in fixed-income securities such as callable bonds and mortgage-backed securities.
- Reinvestment Risk - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.
- State Government and Municipal Securities Risk - State government and municipal securities are subject to various risks based on factors such as economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. Repayment of state and municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is also a risk the interest on an otherwise tax-

exempt municipal security may be subject to federal income tax. Unfavorable developments in any economic sector may have far-reaching ramifications on the overall state and/or municipal market.

- *United States Government Securities Risk* - US government securities are subject to varying interest rates and inflation risks. Not all US government securities are backed by the full faith and credit of the US government. Certain securities issued by agencies and instrumentalities of the US government are only insured or guaranteed by the issuing agency or instrumentality, which must rely on its own resources to repay the debt. As a result, there is risk these entities will default on a financial obligation.

#### *Foreign Securities Risk*

Investments in securities of foreign companies, including direct investments as well as investments through American Depositary Receipts (ADRs), can be more volatile than investments in US companies. Diplomatic, political, or economic developments, including nationalization or appropriation, could affect investments in foreign companies. Foreign securities markets generally have less trading volume and less liquidity than US markets. In addition, the value of securities denominated in foreign currencies, and of dividends from these securities, can change significantly when foreign currencies strengthen or weaken relative to the US dollar. Financial statements of foreign issuers are governed by different accounting, auditing, and financial reporting standards than the financial statements of US issuers and may be less transparent and uniform than in the United States. Thus, there may be less information publicly available about foreign issuers than about most US issuers. Transaction costs generally are higher than those in the United States and expenses for custodial arrangements of foreign securities may be somewhat greater than typical expenses for custodial arrangements of similar US securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes are recoverable, the non-recovered portion will reduce the income received from the securities comprising an account's portfolio. These risks may be heightened with respect to emerging market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

#### *Fundamental Analysis*

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. When a security's price adjusts rapidly to new information, such an analysis may result in unfavorable performance.

#### *Futures Investing*

The risks associated in futures investing include interest rate risk, liquidity, operational, settlement and the use of leverage; topics addressed in adjacent paragraphs of this section.

#### *Inflation Risk*

Also called *purchasing power risk*, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

#### *Information Technology Sector*

Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. As with other technology companies, information technology companies may have limited product lines, markets, financial resources, or personnel. The products of information technology companies may face obsolescence due to rapid technological developments, frequent new product introduction, unpredictable changes in growth rates, and competition for the services



of qualified personnel. Companies in the information technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

#### Legal or Legislative Risk

Legislative changes or court rulings may adversely impact the value of individual investments, market sectors, or the market as a whole.

#### Liquidity Risk

Liquidity risk is the inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. There are times when there is no trading volume/market depth to support a security's current price. As such, the true value of the bond (for example) may not be supported by the current price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

#### Long/Short Investing

A portfolio manager engaged in long/short strategies seeks risk-adjusted returns with low market correlation and attempts to accomplish this primarily through a combination of long investment positions and short selling. "Shorting" or "short sale" is the sale of a security, futures contract or similar investment vehicle not owned by the investor with the belief that the price of the security or futures contract (index or benchmark) will fall and allow the investor to buy the position at the lower price to make a profit. However, if the price of the security or futures contract (or index) rises and requires the investor to buy it back later at the higher price, it may result in a loss. Also, due to its relaxed restrictions on the use of short positions and leverage, this type of investment strategy can have extended market exposures.

#### Macroeconomic Risk

Macroeconomic risk derives from the behavior of industries and governments and the relationships between them rather than from individual companies. It concerns fiscal and monetary policies, trade and investment flows and political developments on a national and international scale. Business cycles, depressions, inflation, unemployment, interest rates, valuations, prices, and imports/exports volumes are all unpredictable and can lower or destroy investment portfolios. Central banks and governments often resort to inflationary policies and excessive fiat currency issuance through borrowing and printing. These macroeconomic maneuvers may possibly support or increase the nominal value of investment assets short term but lead to inflation and asset bubbles and later crashes.

#### Market Risk

This is also called systematic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

#### Money Market Funds

A money market fund is managed to maintain a stable net asset value (NAV) of \$1 per share, the value of the fund may fluctuate, and the investor could lose money (termed "breaking the buck"). Money market funds are a type of mutual fund investing in high-quality, short-term debt securities, pays dividends that generally reflect short-term interest rates and seeks to maintain a stable NAV per share (typically \$1). An investment in a money market mutual fund is typically not insured or guaranteed by the Federal Deposit Insurance Corporation, National Credit Union Association, or any other government agency.



### Operational Risk

The potential for loss resulting from inadequate or failed internal processes, systems, actions of people, or external events. Many industries institute policies and procedures to respond and initiate alternative or supporting operations following a significant business disruption, while others do not. The level of operational risk and appropriate response are not uniform in definition, requirement, or measurement, including within the financial services sector.

### Options Risks

Portfolio managers that we recommend may choose to use options in support of their investment strategy. The risks involving options trading are detailed in the Chicago Board Options Exchange's "The Characteristics and Risks of Standardized Options" brochure found at their website at: <http://www.cboe.com>. We have provided general considerations involving options in the following statements.

#### Option Buyer's Risks

- risk of losing the entire investment in a relatively short period of time
- risk of losing the entire investment increases as an option goes out of the money and as expiration nears
- European style options that do not have secondary markets in which to sell options prior to expiration only realize their value upon expiration
- specific exercise provisions of a specific option contract may create enhanced risk, and
- regulatory agencies may impose exercise restrictions, which may deter the investor from realizing value.

#### Option Seller's Risks

- options sold may be exercised at any time before expiration
- covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock
- writers of a "naked call" risk unlimited losses if the underlying stock rises; the writer of a "naked put" risk unlimited losses if the underlying stock drops. The writer of naked positions run margin risks if the position goes into significant losses, which may include liquidation by the broker/dealer of record. In addition, the writer of a "naked call" is obligated to deliver shares of the underlying stock if those call options are exercised
- writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock due to leveraging used in option strategies
- call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options
- writers of stock options are obligated under the options that these writers sold even if a trading market is not available or that they are unable to perform a closing transaction, and
- value of the underlying stock may unexpectedly surge or drop which may lead to an automatic exercise.

### Passive Management

A portfolio that employs a passive, efficient markets approach (such as Modern Portfolio Theory) has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused. In the event of a significant market correction, long-term “buy-and-hold” concepts can experience a loss of most or all their gains.

### Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region and may also be known as “geopolitical risk.”

### Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### Sequence of Return Risk

The risk of receiving lower or negative returns due to early withdrawals from an investment account.

### Small- and Mid-Capitalization Company Risk

The small- and mid-capitalization companies in which an account may invest may be more vulnerable to adverse business or economic events than larger, more established companies. Investments in these small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets, and financial resources, and may depend upon a relatively small management group. Small- and mid-cap stocks, therefore, may be more volatile than those of larger companies.

### Sociopolitical Risk

The risk of instability in a region due to war, terrorism, pandemics, etc., that might affect investment markets.

### Value Investing

A portfolio employing a value-based investing strategy could be adversely affected by inaccurate or flawed financial information or statements. For example, a company may have accidentally (or fraudulently) erred while entering data into its financial statements, or inadequately defines its earnings, resulting in a faulty valuation of its stock. Other examples might involve a “value manager” overpaying for a holding or missing the timing of a buy or sell of a position, making it a less valuable aspect of the portfolio.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in any criminal or civil action in a domestic, foreign, or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our advisory business or its integrity.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Blueprint Wealth Management and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm. We are not required to be registered with such entities, nor do they supervise our firm, its activities, or our associates. Neither the firm nor its management is or has a material relationship with any of the following types of entities:

- a financial planning firm
- bank, credit union or thrift institution, or their separately identifiable department or division
- lawyer or law firm
- pension consultant
- real estate broker, dealer, or adviser
- sponsor or syndicator of limited partnerships
- trust company, or
- issuer of a security that includes an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

To assist our firm with some of its “back-office” operations and technology solutions, such as access to a trading platform, billing, and account rebalancing, performance reports, client portal/account access, etc., we use the services of Sigma Planning Corporation (SPC), an SEC-registered investment adviser (CRD # 110692). Additional information involving our relationship with SPC is described in Item 12 of this firm brochure. Blueprint Wealth Management is not affiliated with SPC; nor do they supervise our advisory firm and its associates. While SPC is a key operational partner to our firm, they are not acting as an independent custodian to our clients’ accounts and therefore do not maintain client account assets. We do however have an agreement with SPC and pay them a fee from our revenue for their services.

The third-party investment managers that we recommend to clients are required to be registered as an investment adviser. As referenced in Item 5 of this brochure, each firm is compensated for their respective services by the client through a portion of the advisory fee that is assessed. We have an incentive to recommend one third-party investment manager over another if less favorable compensation or services arrangements were to be offered to us by another. In light of this conflict of interest, we will review our recommendations and “mix of business” based on the client’s needs, goals and objectives with respect to all of our offerings. There is also the potential for clients’ fees assessed via these engagements to be higher than had a client obtained them directly from the third-party investment manager or the client were able to purchase similar underlying investments on their own. Clients are encouraged to review all our offerings and their stated fees prior to the engagement, and each client has the right to purchase recommended or similar investments through their own provider. It should be noted that certain third-party investment managers and/or underlying investments may not be available to self-directed investors or at the same cost.

The following companies are either under common control our advisory firm via Mr. Parady and/or other firm associates are control persons and/or members of the below-noted entities’ staff that is identified in their respective Form ADV Part 2B brochure supplement:

- Parady Financial Group, Inc. - a licensed insurance agency that provides insurance planning to its clients using fixed and indexed annuities and life insurance products
- Parady Health Solutions, LLC - a licensed insurance agency that offers health insurance to its clients

- Parady Group, LLC - a licensed insurance agency offering fixed and indexed annuities and life insurance products to its clients
- Parady West, LLC - a licensed insurance agency that offers income planning using fixed and indexed annuities and life insurance products to its clients
- Red Tree Retirement, LLC - a licensed insurance agency that provides income planning fixed and indexed annuities and life insurance products to its clients (not available to current advisory firm clients)
- Parady Tax Solutions, LLC - provides income tax preparation and planning
- Accountancy, LLC - provides income tax preparation and planning, and
- Kathleen Laseter CPA, LLC - provides income tax preparation and accounting services.

All associates of our advisory firm are licensed to sell fixed and/or indexed life insurance and annuity products. In their capacities as licensed insurance agents of one or more of our insurance affiliated agencies, they may recommend to clients or prospective clients the purchase of certain insurance products. These individuals will usually receive compensation for the sale of those products. The recommendation and sale of insurance products by our advisory representatives, in their capacities as insurance agents of one or more of our affiliates, presents a conflict of interest to the extent that they receive insurance commissions or other compensation for those activities. Clients are under no obligation to purchase insurance products through our advisory representatives and may do so through any insurance agent or insurance agency they choose.

Our clients are generally referrals from one or more of our affiliates. While we do not pay referral fees to our affiliates or share our revenues with our affiliates as a result of the referrals we receive, the referral process presents a conflict of interest because each referral can result in additional revenue to our overall corporate organization. We strive to act in the best interests of each client and only recommend our services to prospective clients when we believe our services would benefit those prospective clients. Prospective clients are not required to retain us for investment advisory services and may do business with the investment advisory firm of their choosing.

On occasion we may refer our clients to one of our affiliates for insurance or tax services. Blueprint Wealth Management is not compensated in any way for those referrals. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

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

Blueprint Wealth Management is a fiduciary and will act in the utmost good faith, performing in a manner we believe to be in the best interest of our clients. We have designed our business methodologies, ethics rules, and policies in order to eliminate or at least minimize material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain. It is important to point out that no set of rules can anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### ***Code of Ethics***

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical

and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that they remain current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

### ***CFP® Principles***

Firm associates that are CERTIFIED FINANCIAL PLANNER™ Practitioners also adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility that can be found at [www.cfp.net](http://www.cfp.net).

### ***AICPA CPA Code of Professional Conduct***

Firm associates that are Certified Public Accountants (CPA) adhere to the American Institute of Certified Public Accountants' (AICPA) *Code of Professional Conduct* and *Statement on Standards in Personal Financial Planning Services* which can be found at [www.aicpa.org](http://www.aicpa.org).

### ***Firm Recommendations and Conflicts of Interest***

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial lending institution.

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a "related person" (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Our associates will disclose in advance how they are being compensated and if there is a conflict of interest involving any service being provided. It is important to note that our clients are under no obligation to act on a recommendation from an associate. If a client elects to do so, they are under no obligation to complete all of them through our firm or a service provider we may recommend.

### **Item 12 - Brokerage Practices**

Our clients' accounts must be separately maintained by a qualified custodian (generally a broker/dealer, futures commission merchant, national bank, or national trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian or broker/dealer, there is not an affiliate that is a custodian or broker/dealer, nor does a custodian or broker/dealer supervise our firm, its activities, or our associates. We do not receive referrals from a custodian or broker/dealer, nor would client referrals be a factor in our recommendation of a custodian or broker/dealer.

Accounts served by a third-party investment manager are to be maintained at one or more custodians that have been selected by the respective third-party investment manager and they will be disclosed in the third-party investment manager's disclosure documents and account opening forms.

Via coordination with SPC, we have entered into an agreement with National Financial Services LLC (NFS) to serve as custodian for our clients' accounts. NFS is a FINRA and SIPC member,<sup>1</sup> as well as SEC-registered broker/dealer wholly owned by Fidelity Global Brokerage Group, Inc., and an affiliate of Fidelity Brokerage Services LLC. While we recommend that our clients use NFS as their custodian, the client must decide whether to do so, and will open the account by entering into an account agreement directly with NFS. We do not technically open an account for any client, but we will assist our clients in doing so. If a client does not wish to place their assets with NFS, we may manage their account at their own custodian depending on that custodian's account trading policies (e.g., via third-party trading authority).

We seek to use a custodian who will hold client assets and execute transactions on terms that are overall advantageous when compared to other available providers and their services. Our firm considers a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for an account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients, and
- availability of other products and services that benefit us, as discussed below.

When an account is maintained at NFS, the client is typically not charged separately for custody services and the custodian is compensated by charging a commission or other fees on trades/accounts that are executed or that settle into an account at the custodian. However, the custodian's fee applicable to our clients' accounts may have been negotiated based on our commitment to maintain a certain amount of clients' assets in accounts held at NFS. This commitment benefits our client because overall fee rates are lower than they would be if we had not made the commitment.

NFS provides us with access to its institutional brokerage -- trading, custody, reporting and related services - many of which are not typically available to a "retail investor." They also directly or indirectly make available various support services to our advisory firm. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. These support services are generally available to us on an unsolicited basis (we do not have to request them) and at no charge to us as long as we keep a certain level of our clients' assets in accounts at NFS. If we have less than the desired amount of client assets at NFS, they may charge our firm a quarterly service fee that we pay from our operating account. Our custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products

---

<sup>1</sup> Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

available through NFS include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients, such as those services described in previous paragraphs that generally benefit our clients.

NFS may also directly or indirectly make available to our firm other products and services that benefit us but may not directly benefit each of our clients' accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both from the custodian's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at NFS. In addition to investment research, they may also make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements)
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts
- provides pricing and other market data
- facilitates payment of our fees from our clients' accounts, and
- assists with back-office functions, recordkeeping, and client reporting.

NFS may also directly or indirectly provide other services intended to help us manage and further develop our business enterprise, such as:

- educational conferences and events
- technology, compliance, legal, and business consulting
- publications and conferences on practice management and business succession, and
- access to employee benefits providers, human capital consultants and business insurance providers.

NFS may provide some of these services itself. In other cases, they may arrange for third-party providers to offer those services to us (e.g., SPC). They may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. They may also provide us with other benefits such as occasional business entertainment of our personnel. Some of the noted tools and services made available directly or indirectly by NFS may benefit our advisory firm but may not directly benefit a client account. Certain tools, services or discounts directly or indirectly made available to our firm by NFS benefit our advisory firm but may not directly benefit each client account. While our firm does not think these services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, certain jurisdictions where we serve client accounts believe they fall under this definition. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our preferred custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than the client's interests in receiving favorable trade execution.

It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select. Our firm conducts periodic assessments of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.



### ***Best Execution***

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in earlier paragraphs. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our investment supervisory services clients’ accounts trades completed through our custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted regarding recommending a custodian to our clients in light of our duty to seek best execution.

While our firm has access to a broad range of securities through our custodian, it is a finite number. In addition, not all investment managers (mutual funds), share classes, etc., are represented at each custodian. Due to these normal and customary limitations, not all portfolio holdings will be readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain a premise otherwise.

### ***Directed Brokerage***

Not all investment advisers require their clients to direct brokerage, nor do we think our operational relationship with our preferred custodian is defined as “directed brokerage” per common industry practices. While our internal policy and operational relationship with our custodian necessitate client accounts custodied with them to have trades executed per their order routing requirements, we do not direct a custodian as to which executing broker should be selected for our clients’ trades, whether that is an affiliate of our preferred custodian or another executing broker of our custodian’s choice. As a result of our custodian’s own trade execution policies, however, a client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case.

Since we routinely recommend a particular custodian to our clients, and that custodian may choose to use the execution services of its broker affiliate for some or all account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services earlier described. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on an account’s cash balance.

Client accounts maintained at our custodian under our account master are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client’s choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.



## ***Aggregating Securities Transactions***

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked,” “bunched” or “batched” orders. Aggregated orders are completed to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to aggregate orders, and the firm does not receive additional compensation or remuneration due to aggregated transactions. Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*

Note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

## **Item 13 - Review of Accounts**

### ***Scheduled Reviews***

#### **Investment Supervisory Services**

Investment supervisory services accounts are reviewed on a quarterly or more frequent basis by an assigned internal portfolio manager as well as firm supervisory personnel. Client-level reviews are completed by the account’s investment adviser representative, and we recommend that they occur on at least an annual basis. A copy of a revised investment guideline or asset allocation report in printed or digital format will be provided to the client upon request.

#### **Investment Management Services**

For accounts served by a recommended third-party investment manager, we will periodically review reports provided to the client by the third-party investment manager and will contact the client at least annually to review their financial situation and objectives. We will communicate information to each third-party investment manager as warranted and will assist the client in understanding and evaluating the services provided by the third-party manager. In certain instances, the client may communicate directly with their selected third-party investment manager, but we ask that we be allowed to coordinate the session through our firm.

### ***Interim Reviews***

Clients should contact our firm for additional reviews when they anticipate or have experienced changes in their financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if they prefer to change requirements involving their investment allocation. Interim reviews are conducted by the account’s investment adviser representative, and a copy of a revised investment guideline or asset allocation report in printed or digital format will be provided to the client upon request.

Additional portfolio reviews by a third-party investment manager and/or the client’s investment adviser representative may be triggered by news or research related to a specific holding, a change in the view of an investment’s merits, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is

under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

### ***Client Reports***

Our clients receive account statements sent directly from custodians, mutual fund companies, transfer agents or brokerage companies where their investments are held. We urge all clients to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm provides written quarterly performance reports to our investment supervisory services clients in printed or digital format that are calculated using a time-weighted rate of return methodology. These reports are reviewed for accuracy by the client's assigned investment adviser representative prior to delivery, as well as periodic reviews by firm supervisory personnel. Our reports are intended to inform clients about investment performance over the current period, as well as various other time periods.

Investment management services clients may receive quarterly portfolio performance reports directly from their third-party manager; we do not back-test nor certify reports from an external party.

Clients are urged to carefully review and compare account statements that they have received from their account custodian with any report they may receive from our firm or any other source if that report contains any type of investment performance information.

### **Item 14 - Client Referrals and Other Compensation**

Please refer to Items 10 and 12 for information with respect to our services, business relationships and the conflicts of interest they present. If we receive or offer an introduction to a client, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client retains the right to accept or deny such referral or subsequent services.

### **Item 15 - Custody**

Our clients' accounts must be maintained by an unaffiliated, qualified custodian; accounts are not to be maintained by our firm or any associate of our firm. In keeping with this policy involving our clients' funds or securities, our firm:

- restricts the firm or an associate from serving as trustee or having general power of attorney over a client account (unless it is an immediate family member)
- does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm
- prohibits the firm or an associate to have the client's bank or investment account access information (i.e., passwords and user identification)
- does not allow for standing letters of authority (SLOAs)
- will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future, and
- prohibits an associate from having authority to directly withdraw securities or cash assets from a client account. Although we may be deemed to have "constructive custody" of a client's assets since we may request the withdrawal of advisory fees from an account, we will only do so through the engagement of a qualified, unaffiliated custodian maintaining the account, via prior client written approval.

The client's custodian of record provides investment account transaction confirmations and account statements, which include debits and credits and any advisory fees for that period. Custodian statements are provided directly to our clients on at least a quarterly basis.

Our clients are reminded that if they receive a report from any source that contains investment performance information, they are urged to carefully review and compare their account statements received from their custodian of record to evaluate that report's accuracy.

#### **Item 16 - Investment Discretion**

##### ***Investment Supervisory Services***

Blueprint Wealth Management generally conducts its investment supervisory services on a discretionary basis. Via limited power of attorney signed by the client, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted through the client's execution of both our engagement agreement and the custodian's account opening documents. Note that the custodian will specifically limit our firm's authority within an account to the placement of trade orders and our request for the deduction of our advisory fees.

Our firm prefers not to manage client accounts on a non-discretionary basis, but we may accommodate such requests on a case-by-case basis. Non-discretionary trading authority requires a client's ongoing prior approval involving the investment and reinvestment of account assets, as well as portfolio rebalancing. The client will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. In light of the requirement for client trading pre-approval, the client must make themselves available and keep our firm updated on their contact information so that trading instructions can be efficiently and timely effected on the client's behalf. In addition, non-discretionary accounts are generally unable to be aggregated (see Item 12) and may therefore be assessed higher trading fees or receive less favorable prices than those accounts where trade aggregation has occurred.

Our clients can amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of a client account. It remains the client's responsibility to notify us if there is any change in their situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

##### ***Investment Management Services***

Third-party investment managers generally conduct portfolio management on a discretionary basis. Via limited power of attorney, discretionary authority allows their firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted through the client's execution of the third-party investment management agreement and the selected custodian's account opening documents. Note that some of our agreements with third-party investment managers require our firm to concurrently have discretionary trading authority within a client account, which will be described in the agreement with the client.

Most third-party investment managers prefer not to manage client accounts on a non-discretionary basis, but they may accommodate such requests on a case-by-case basis. Non-discretionary account authority requires the client's ongoing prior approval involving the investment and reinvestment of account assets, as well as portfolio rebalancing. The client will be required to execute the third-party investment manager's

client agreement that describes their limited account authority, as well as the third-party investment manager's custodian of record account opening document that includes a limited power of attorney form or clause. As noted above, in light of the requirement for client pre-approval, the client must make themselves available and keep their contact information updated so that instructions can be efficiently and timely effected on the client's behalf.

#### **Item 17 - Voting Client Securities**

Account holders of record periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. If we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of clients' securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account holder, including accounts served by our firm on a discretionary basis. We do not offer specific guidance on how to vote proxies, nor will we offer our position involving a claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions via a scheduled meeting with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Investment management services clients should review their third-party investment manager's Form ADV Part 2A to determine that investment manager's proxy voting policies. Otherwise, each account holder will maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to holdings.

Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

#### **Item 18 - Financial Information**

Blueprint Wealth Management will not take physical custody of client assets, nor do we have the type of account authority to have such control.

Engagements with our firm do not require that we collect fees from a client of \$1,200 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

Blueprint Wealth Management and its management do not have a financial condition likely to impair our ability to meet commitments to clients, nor has the firm and our management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet for the firm is not required nor included in this brochure.