

## BOSTON PRIVATE WEALTH LLC

### FORM ADV PART 2A

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Boston, MA 02110

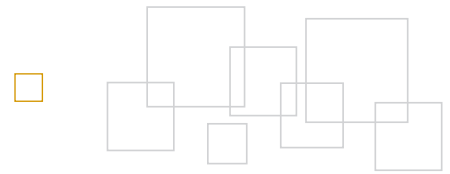
617.223.0200

[www.bostonprivate.com](http://www.bostonprivate.com)

Form ADV Part 2, our “Disclosure Brochure” or the “Brochure,” is required by the Investment Advisers Act of 1940 includes important information about the qualifications, services and business practices of Boston Private Wealth LLC (“BPW, Boston Private Wealth, Firm, us, we, or our”).

If you have any questions about the contents of this Brochure, please contact us at 617.223.0200 or [compliance.wealth@bostonprivate.com](mailto:compliance.wealth@bostonprivate.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. Additional information about Boston Private Wealth also is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

BPW is an investment adviser registered with the Securities & Exchange Commission (“SEC”). Registration as an investment adviser does not imply any level of skill or training.



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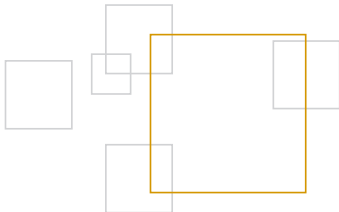
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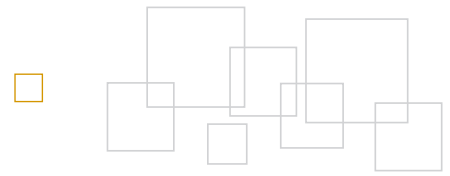
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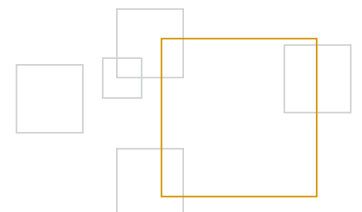
## ITEM 2 – MATERIAL CHANGES



This Brochure, dated July 30, 2021, represents a material update to the Brochure dated March 30, 2021. The following is a summary of the more significant recent updates to BPW's business in addition to those reported in the last annual update:

- On July 1, 2021, SVB Financial Group ("SVBFG"), the parent of Silicon Valley Bank, completed the acquisition of Boston Private Financial Holdings, Inc. ("BPFH"), the parent company of Boston Private Bank & Trust Company ("Boston Private Bank"). As a result, BPFH has been merged into SVBFG, with SVBFG the surviving holding company, and Boston Private Bank has been merged with and into Silicon Valley Bank as the surviving banking institution.
- Boston Private Wealth LLC ("BPW"), which is an SEC-registered investment adviser and formerly a wholly-owned subsidiary of Boston Private Bank, is now a wholly-owned, non-bank subsidiary of Silicon Valley Bank.

Please note that this section of the Brochure discusses only material changes since the last annual update of our Brochure. For any future material changes to this and subsequent Brochures, we will at no charge provide you with a summary of material changes within 120 days of the close of our fiscal year, or more often as necessary.



## ITEM 4 – ADVISORY BUSINESS

Boston Private Wealth LLC (“BPW” or the “Firm”), is an SEC-registered investment adviser with a national presence dedicated to delivering custom investment management and comprehensive wealth solutions.

BPW is a Massachusetts limited liability company headquartered in Boston, Massachusetts. Until its acquisition on July 1, 2021, the Firm was wholly owned subsidiary of Boston Private Bank & Trust Company (“BPBTC”), which was wholly owned by Boston Private Financial Group Holdings, Inc. (“BPFH”), a public reporting company.

As of July 1, 2021, BPFH and BPBTC have been merged into Silicon Valley Bank, California state-chartered bank and a member of the Federal Reserve System. SVB is the principal banking subsidiary of SVB Financial Group (“SVBFG”), a publicly held bank holding company. BPW is now a wholly owned subsidiary of SVB.

Prior to September 1, 2019, KLS Professional Advisors, LLC (“KLS”), was BPW’s affiliated SEC-registered investment advisor and a wholly owned subsidiary of BPFH. As of September 1, 2019, KLS, headquartered in New York City, officially merged into BPW. Going forward, KLS was then known as “KLS, a division of Boston Private Wealth.” Until such time as BPW and KLS can sufficiently integrate operations, they will maintain separate client brochures.

BPW’s investment and wealth advisory teams provide depth of experience in investment management and wealth planning, delivering the Firm’s institutional-quality solutions with an innovative approach. BPW’s financial professionals are available to meet with clients across the country. Our corporate headquarters are in Boston, Massachusetts and key regional offices are located in:

New York City, New York (KLS)  
Beverly Hills, California  
Miami, Florida  
Palm Beach Gardens, Florida  
San Francisco, California  
San Mateo, California

BPW offers a comprehensive and customized set of wealth management and investment management services with dedicated resources designed to specifically respond to our clients’ unique needs. High net worth individuals, families, trusts and organizations, including foundations and endowments, select BPW to manage their wealth.

We emphasize a holistic, client-centric approach to highly customized investment solutions focused on portfolio construction and delivered by skilled and experienced professionals. BPW offers the resources of a large Firm with a commitment to the personal, one-on-one service of a smaller boutique.

BPW’s services may be provided on either a discretionary or non-discretionary basis but the majority of our clients utilize our discretionary investment management services. In addition, we provide Wealth Management, Investment Consulting, Financial Planning and Trust and Estate planning services. In constructing client portfolios, BPW considers an array of investment vehicles across multiple asset classes, geographies and market capitalizations. We utilize both internally managed strategies as well as external money managers to complete our full suite of investment solutions. Our external managers provide access to both traditional strategies and alternative strategies with access to real estate, private equity, and liquid alternatives.

The majority of our clients prefer our discretionary investment management services which require written authorization to make investment decisions on clients’ behalf. BPW makes all decisions to buy, sell or hold securities as determined by clients’ individual investment objectives and risk tolerances. We monitor client account(s) and proactively buy and sell positions when we believe it is appropriate to help achieve your investment objectives.

BPW also provides access to third party managers (known as sub-advisors or Separate Account Managers (“SAM”) to manage a portion your assets.

BPW also offers non-discretionary investment services for select clientele who prefer to implement their own transactions based on the advice provided by BPW. These services include providing investment recommendations based on your investment objectives, risk tolerance and financial circumstances. BPW’s non-discretionary recommendations may include asset allocation advice and specific investments. Under a non-discretionary relationship with BPW, it will be your decision to implement our recommendations. We will provide ongoing and continuous guidance as memorialized by our written agreement with you.

As of December 31, 2020, the combined BPW/KLS entity had the following regulatory assets under management:

Discretionary	\$ 13,787,450,698
Non-Discretionary	\$ 640,202,475
Total	\$ 14,427,653,173

## INVESTMENT MANAGEMENT SERVICES

BPW manages investment portfolios comprised of various investment vehicles that invest in equities, fixed-income securities, mutual funds, and exchange traded funds (“ETFs”), and limited partnerships. With a team of investment professionals specializing in specific market segments, BPW’s investment team is distinguished by its experience and its commitment to uncovering and analyzing investment opportunities for clients.

BPW provides a broad range of investment management and advisory services, offering investment analysis and portfolio construction over a broad range of investment styles. Our services are described in more detail below and also in Item 8.

## CUSTOM PORTFOLIO SERVICES: FIXED INCOME, BLENDED, ASSET ALLOCATION

BPW’s approach to comprehensive investment management begins with an assessment of your personal investment objectives. After this assessment, we create custom portfolios, which can include individual equities, individual fixed-income securities, mutual funds, ETFs, and/or limited partnerships.

The overall asset allocation is determined by the client’s investment objectives as described above; the appropriate risk tolerance is then defined based on that assessment, and falls within one of the following six categories:

- Aggressive Growth
- Growth
- Balanced Growth
- Balanced Income
- Income
- Conservative Income

In implementing the solution for these customized portfolios, certain of BPW’s proprietary investment strategies, as described below, may be used to fulfill certain allocations.

BPW's custom portfolio services also include a comprehensive review of your existing holdings and asset mix to ensure a streamlined and tax efficient transition of your assets and/or securities – all aligned to your personal investment objectives. Each client will be served by a team of dedicated investment professionals who are trained to respond specifically to each client's unique requirements.

## CONCENTRATED HOLDINGS SERVICES

We have many clients who seek expertise in handling their existing concentrated security holdings. BPW provides analysis, research, monitoring, and active management and will design diversification strategies for clients with concentrated securities holdings. Our services for management of concentrated securities holdings are provided on a pre-approved basis and require a preliminary review of your portfolio by one of our investment professionals. These services may include, where suitable, options strategies to minimize risk and/or generate additional income to enhance portfolio returns.

## PROPRIETARY SEPARATE ACCOUNT STRATEGIES

BPW offers a suite of proprietary separate account strategies that utilize primarily individual equities and/or fixed-income securities, but may also include ETFs and/or mutual funds. These solutions are designed to provide a foundation for your investment portfolios through both diversification and active management. Our proprietary separate account strategies may be used exclusively or in combination with other strategies within your aggregate portfolio.

Our proprietary separate account strategies typically are managed in accordance with the client's chosen BPW objectives and risk tolerances. The investments utilized for a proprietary strategy are selected on the basis of achieving the stated objectives of the strategy. The use of, and allocation to BPW's proprietary strategies in your portfolio will be chosen based on your overall risk tolerance, time horizon, and investment objectives. BPW's professionals will offer specific guidance about which strategy or combination of strategies will be best suited to achieving your overall objectives and the proper allocations within your portfolio framework.

## SEPARATE ACCOUNT MANAGERS

As part of our discretionary investment advisory services, BPW may recommend the allocation of a portion of your investment assets among one or more unaffiliated independent investment managers ("Separate Account Managers") in accordance with client's investment objectives. BPW maintains a disciplined research and due diligence process to identify Separate Account Managers offering proprietary investment strategies that we believe provide opportunities not available through, or more appropriate than, investment vehicles such as ETFs or mutual funds. Factors which our Investment Team considers in recommending Separate Account Managers include the client's designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research.

The Separate Account Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. BPW shall continue to render Investment Advisory services to the client through the ongoing monitoring and review of account performance, asset allocation and client investment objectives. BPW maintains ongoing annual due diligence and review over the recommended firms. Before a client establishes an account with a Separate Account Manager, the client shall also receive the Separate Account Manager's written disclosure statement specifying its fees and services.

BPW enters into sub-advisory arrangements with the Separate Account Managers it recommends for client portfolios. This means that BPW has discretionary authority to hire and/or fire the Separate Account Manager on behalf of Client and also results in some operational efficiencies regarding the opening and closing of accounts as well as communicating transaction details. The Separate Account Manager charges its own advisory fee which is deducted from Client's account at the customary billing intervals. BPW does not receive any compensation from any Separate Account Manager. The amounts placed with the Separate Account Manager are grouped together with the client's portfolio assets managed BPW and are billed in accordance with the client's fee schedule.

**Please Note:** BPW's investment management fees do not include the fees charged by mutual funds or ETFs, or the fees payable to any SAM or third-party manager. (See Item 5 below for more detail regarding fees and expenses.)

## UNAFFILIATED PRIVATE INVESTMENT FUNDS

Some clients prefer the ability to access private investment funds. BPW has negotiated client access to certain unaffiliated private investment funds. BPW will only recommend private funds to those clients for whom it reasonably believes such an investment to be suitable, given the client's total portfolio, risk parameters and liquidity needs. BPW shall not exercise any discretion as to whether or not a client shall invest in any private fund. Rather, the ultimate investment decision shall remain with the client.

BPW's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of BPW calculating its investment advisory fee. BPW clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Any Clients deciding to invest in a private fund will generally receive an Offering Memorandum prepared by the fund sponsor outlining the fund's investment objectives, risk factors, conflicts, etc. Prior to any investment, client shall also generally be required to enter into a Subscription Agreement acknowledging the terms and conditions of the fund and/or venture and the corresponding risk factors, including loss of principal and liquidity constraints.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency. A complete description of such risks is set forth in each fund's offering documents, which will be provided to client for review and consideration. Unlike liquid investments, private investment funds do not provide daily liquidity or pricing. Before recommending a private fund, the Firm must make a determination as to whether a specific private fund is appropriate for the client. In so doing, the Firm shall consider the following factors:

- The type of offering-including risks, time horizon, and liquidity issues;
- The client's investment objective(s)-realizing that for certain clients, a private fund of any kind may not be suitable;
  - The client's current portfolio allocation;
  - The client's available cash to commit to the private fund;
  - The private fund's investment minimum per investor; and
  - The client's current allocation to private investment funds.

Any supplemental account reports prepared by BPW shall reflect the most recent valuation provided by the fund sponsor for each private investment fund owned by the client.

## INVESTMENT CONSULTING SERVICES

As an investment consultant, BPW provides clients with advice and information required to make informed decisions about their entire net worth or components of their net worth. The consulting platform has a flexible framework, which allows us to customize our offering and the services provided to meet your unique goals and objectives.

Specific investment consulting service options include, but are not limited to, the following:

### Diagnostic Review

- Review client's current investment process
- Review client's current investment advisory engagements
- Provide executive summary of our observations and recommendations

### Investment Policy and Governance Design

- Investment council/committee design
- Investment policy development and design
- Investment adviser oversight and coordination protocols

### Asset Allocation Services

- Strategic and tactical asset allocation
- Asset allocation modeling
- Custom strategic asset allocation framework design

### Portfolio Construction and Implementation

- Access to BPW's open architecture platform
- Equity and fixed-income strategies
- Concentrated security management

### Performance Measurement, Reporting and Analysis

- Custom benchmarking
- Custom reporting
- Strategy performance analytics

### Custom Investment Solutions

- Customized security research
- Custom manager searches

As part of our Investment Consulting Services, BPW may also provide discretionary investment advisory services in combination with other (non-discretionary) investment consulting services.

## WEALTH ADVISORY & FINANCIAL PLANNING SERVICES

BPW, in partnership with SVB, offers a range of wealth management and financial planning services which provide clients with advice and information to make informed decisions about their entire net worth or components of their net worth. The wealth management and financial planning platform has a flexible framework which allows us to customize our offering and the services provided to meet the unique goals and objectives of each of our clients.

Our internal wealth management team includes licensed and designated financial professionals including CFP®s, CPAs, CTFAs, CFA®s, AIF®s, CPFA®s and attorneys who are trained to guide you on a wide variety of wealth and financial planning matters. Our professionals will work closely with your personal attorneys, accountants and/or other professional advisors, or may recommend outside professionals to provide specific guidance and develop tax and wealth management strategies. BPW can provide a comprehensive financial planning review or provide annual financial planning reviews to assess your current personal goals and objectives.

BPW's Wealth and Financial Planning services include one or more of the following, as applicable:

- Vision statement that may include a client's financial, philanthropic, tax and wealth transfer objectives
- Income and retirement planning
- Protection planning
- Investment management planning
- Legacy and Estate Planning
- Philanthropic Planning
- Business Succession Planning
- Executive Planning
- Education Analysis
- Estate Plan analysis and review
- Insurance and risk management review
- Cash flow and debt management
- Compensation and benefits
- Donor advised funds

## CLIENT RETIREMENT PLAN ASSETS

BPW also provides investment advisory services relative to the client's 401(k) plan assets upon request. In such event, BPW shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. **Please note:** BPW's services shall be limited to the allocation of the client's assets among the investment choices available through the plan. BPW will not receive any communications from the plan sponsor or custodian, and it shall remain the client's obligation to notify BPW of any changes in investment alternatives, restrictions or other relevant or material information pertaining to the retirement account.

### IRA Rollovers

In appropriate circumstances, BPW may recommend that a client roll over an account held in a former employer's retirement plan to Individual Retirement Account ("IRA") for BPW to manage. If the client elects an IRA rollover subject to BPW's management, the account will be subject to BPW's advisory fee per the client's Wealth Management Agreement. **Conflict of Interest:** A financial advisor's recommendation to roll over retirement plan assets into an IRA may present a conflict of interest because such a recommendation may create an incentive to recommend the rollover for the purpose of generating additional compensation rather than solely based on the client's needs. When BPW recommends a rollover IRA, the client is never under any obligation, to complete a rollover to have the rollover IRA assets managed by BPW. Many employers permit former employees to keep their retirement assets in the company plan. Also, some retirement plans may permit current employees to move assets out of the company plan before retiring or leaving the company. In determining whether to complete an IRA rollover, and to the extent the following options are available, you should consider their costs and benefits. An employee will typically have four options:

- Leave the assets in the employer/former employer's plan;
- Transfer the funds to a new employer's retirement plan;
- Cash out and take a taxable distribution from the plan;
- Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and BPW recommends that you communicate with your CPA/tax attorney to consider them before making a change. You should consider the following relevant issues together with your BPW advisor and tax and/or legal professional before initiating a Rollover IRA:

- Determine whether the investment options in the employer's retirement plan address client's needs or whether other types of investments are needed.
  - Employer retirement plans generally have a more limited investment menu than IRAs.



- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- The employer plan may have lower fees than BPW. so If interested in investing only in mutual funds, you should understand the cost structure of the share classes available in employer's retirement plan compared to those available in an IRA.
  - You should understand the various products and services that may be available through a Rollover IRA and the potential costs of those products and services.
  - BPW' recommended strategy may entail higher risk than the option(s) provided in your plan.
- Your current plan may also offer financial advice.
- Keeping assets titled in a 401(k) or retirement account may potentially delay a required minimum distribution beyond age 70 ½.
- For clients concerned about protecting assets from creditors, an existing 401(k) plan may offer more liability protection than a rollover IRA. Such legal protection varies by state.
  - Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there may be some exceptions to these general rules so an attorney should be consulted if concerned about protecting retirement plan assets from creditors.
- Loans may be available from the employer plan (although generally not to ex-employees); no loan available from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless qualifying for an exception such as disability, higher education expenses or the purchase of a home.
- If you own company stock in your 401(k) plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- Your existing retirement plan may allow BPW to be hired as the investment manager and to keep the assets titled in the plan name.

It is important that clients understand the differences between these types of accounts and to evaluate whether a rollover is best under the circumstances.

## RETIREMENT PLAN ADVISORY SERVICES

BPW's Retirement Plan Advisory (RPA) team are specialists at counseling businesses on effective plan governance and delivery of employee retirement benefits subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The RPA Team provides these services to assist plan sponsors, plan trustees and investment committees to meet their fiduciary responsibilities. The RPA team services include preparation of Investment Policy Statements, evaluation and selection of investment options, investment evaluation and reporting and advising clients on education and communication with plan participants. The RPA team counsels plan fiduciaries with its expertise in plan governance, risk assessment and expense analysis.

## WRAP-FEE PROGRAMS

Although BPW does not sponsor wrap-fee programs, BPW

participates in wrap-fee programs as a discretionary investment manager in wrap fee programs sponsored by other investment advisors. Accounts maintained under these wrap-fee programs are managed in the same manner and alongside our non-wrap accounts. In consideration for the investment management services provided under these programs, BPW receives a portion of the total fee charged to the client by the program sponsor.

## HOW WE TAILOR OUR ADVISORY SERVICES TO THE INDIVIDUAL NEEDS OF CLIENTS

Clients work with an experienced client wealth advisor to develop and implement a personalized investment plan designed to meet client needs. We begin with a thorough understanding of your goals, risk tolerance, growth expectations, tax situation, and income needs. Then we carefully construct a comprehensive investment and wealth management plan to help you realize your objectives.

BPW performs on-going monitoring of your account(s), conducts periodic investment reviews, and provides reports at your request. To the extent possible or practicable, BPW will attempt to accommodate limitations or restrictions that a client wishes to place on their accounts. Generally, BPW may: (1) allocate the assets that would have been invested in the restricted security to: (a) cash; (b) pro rata across other investments held in the account, (c) one or more substitute securities; or, (2) take any other action that BPW deems appropriate.

## TRUSTEE SERVICES

BPW's parent company, SVB, offers fiduciary services for various types of estates and trusts established by clients. SVB's fiduciary services include the execution of all personal representative/executor and trustee duties, as well as the custodial and administrative functions necessary to support the fiduciary responsibilities of the trustee. These services are separate and apart from the investment advisory services offered through BPW and are subject to different fee schedules.

These services include (as applicable):

- Specialty asset administration
- Management of trust and estate
- Maintaining calendar for trust distributions and payments, including: distributions of income and/or principal to beneficiaries, tax payments, tax estimates, trustee and administrative fee payments
- Ensuring timely distribution of assets or monies required
- Communication with beneficiaries to ensure a smooth administrative process
- Making tax payments and estimated payments as required
- Distributing K-1s to beneficiaries
- Coordinating with other trusted advisors to create and maintain comprehensive tax and financial planning
- Maintaining debt schedules for obligations as required
- Oversight and management of investment portfolios in accordance with fiduciary obligations to ensure proper implementation given the circumstances of the interested parties and governing agreement
- Oversight, execution, and filing of necessary estate and fiduciary tax returns via third party tax preparers
- Reporting Services - In accordance with its fiduciary obligations, SVB provides reporting for the relationships where it serves as personal representative/executor, trustee, or agent for trustee. Trust reporting includes, but is not limited to:
  - Detailed principal and income accounting

- Record keeping of illiquid assets owned by the trust

## NO LEGAL SERVICES

Certain of BPW's employees may be licensed to practice law. However, no such persons provide legal services to any BPW's clients, and no corresponding attorney-client relationship is established. This foregoing is provided for purposes of full disclosure and to emphasize that the fact that certain of BPW's employees may be licensed to practice law is not material to its advisory business or services.

## ITEM 5 – FEES AND COMPENSATION

BPW provides discretionary investment advisory services on a fee basis. The advisory fee is either an asset-based or a fixed annual fee, depending on circumstances. BPW enters into a written Wealth Management Agreement ("WMA"),<sup>1</sup> Financial Planning Agreement or Investment Consulting Agreement, as applicable, with each client prior to providing services. This agreement describes the scope of BPW's services and responsibilities as well as our fees for services.

The proposed fee rate and method of billing is negotiable, subject to many factors. Generally, new clients are billed according to the Firm's tiered fee schedule (see below), whereby the fee reduces as certain asset thresholds are reached. For new engagements, fees are generally billed quarterly, in advance, based on the asset value of the account(s) on the last day of the previous quarter. As circumstances may warrant, BPW may charge an asset-based fixed rate or fixed dollar investment management fee (see below). In calculating client's fee invoice, the value of accounts allocated to cash and cash equivalents (e.g. money market mutual funds, cash sweep funds or other short-term instruments) is included.

**Please note:** Although BPW does not have any stated account minimums, accounts with a portfolio value of less than \$1,000,000 the effective fee may be more than 1.25%. Depending on the engagement, some portion of the advisory fee is typically assessed in advance of the services being provided.

BPW's various fee arrangements may be amended from time to time upon thirty (30) days written notice to the client. If you do not receive a quarterly invoice based on your current relationship, your fee statements are available at any time upon request.

**Please Note:** Investment Consulting fees may be billed as a fixed dollar, hourly or asset-based fee, or a combination thereof, depending on each client's needs and as negotiated with the client.

BPW's advisory fees are set forth in each client's WMA. Below is our updated fee schedule that applies to new accounts. Certain client accounts may have different fees and/or minimum requirements and fees may be negotiable depending on circumstances. Clients are also responsible for other fees and expenses related to their accounts that are payable to other entities. For example, BPW does not receive brokerage commissions, transaction costs or other related brokerage expenses (see Additional Fees and Expenses not paid to BPW, below).

**Flat Rate or Fixed Dollar Amount Fee** In some circumstances, and in BPW's sole discretion, BPW may enter into a flat percentage rate WMA with new clients that generally will not exceed 1.25% annually of the assets under management. Alternatively, in limited circumstances and also in BPW's sole discretion, the Firm may agree upon an engagement for a fixed annual dollar fee for wealth management services. The fee is determined on a variety of factors, depending on the level and scope of the services required and the

professional providing the services.

**Wrap Account Fees** BPW does not sponsor a "Wrap Fee" program. Clients participating in "Wrap Fee" accounts are charged a bundled fee by the wrap program sponsor. A "Wrap Fee" account refers to an account which has a bundled fee including: custody, brokerage, commissions, investment management and other services as negotiated between the client and the wrap program sponsor. The Wrap Program sponsor calculates and pays BPW a fee quarterly for providing investment management services based on a percentage of account market values. This quarterly fee is either paid to BPW in advance or in arrears based on the wrap program sponsor's practices. Our management fees for wrap accounts range from .15% to .50%. Note that these fees are what BPW receives, not the total "wrap fee" amount paid by the client to the sponsor of their account.

## AUTOMATIC FEE DEDUCTION/BILLING

When client funds and securities are held with certain custodians, we will deduct our fees directly from the client's account, pursuant to authorization included in our WMA and other account opening documents. Some clients may receive an invoice and pay by check. Otherwise, we will send an invoice to your custodian, who will be authorized to deduct fees directly from your account. Account statements sent directly from your custodian will show all transactions in your account, including our fees. BPW carefully reviews client billing; however, it is ultimately the responsibility of the client, not the custodian, to verify that the advisory fee being deducted from your account is correct.

## ADDITIONAL FEES AND EXPENSES NOT PAID TO BPW

**Independent Separate Account Manager Fees** In situations where BPW engages an external separate account manager as a sub-adviser to manage a client's assets, the client is responsible for paying all fees charged by the separate account manager on those assets in addition to BPW's investment management and advisory fees. Fees vary by manager and strategy type, but generally range from 0.25% - 1.00% per annum.

**Mutual Fund and ETF Management Fees** Investments in mutual funds and exchange-traded funds generally include an embedded investment management fee paid to the investment adviser of the mutual fund or exchange-traded fund. As such, client accounts with investments in those types of securities will be subject to two layers of management fees. An explanation of the fees and expenses associated with each mutual fund is contained in that mutual fund's prospectus.

**Mutual Fund Transaction Fees** Depending on the custodian, BPW may be able to purchase mutual funds with no transaction fees. Note that clients who do not trade through specific custodians may not be eligible for these waived transaction fees. Fees may be imposed upon early redemption if the fund was owned prior to our management or if we sell the fund in our discretion. An explanation of the fees and expenses associated with each mutual fund is contained in that fund's prospectus.

**Donor Advised Fund Fees** If client assets are allocated to a donor advised fund, the client will be responsible for paying all fees charged by the fund on those assets in addition to BPW's advisory fees. The fund will impose and arrange for the automatic deduction of its own fees from the liquidity account of each affected client.

<sup>1</sup>Formerly known as the Investment Management Agreement ("IMA"), the document has been renamed Wealth Management Agreement ("WMA") to better reflect BPW's comprehensive advisory services.



## BPW FEE SCHEDULE:

Wealth Management	Annual Fee Rates as % of Assets
<b>Wealth Management</b> (annualized asset-based fee) <ul style="list-style-type: none"> <li>Includes one or more of the following, as applicable: financial advice, comprehensive financial planning, asset allocation, and investment management.</li> </ul>	1.25% on the first \$1,000,000 1.15% on the next \$1,500,000 0.90% on the next \$7,500,000 0.70% on the balance
<b>Fixed Income-Only Portfolios</b> (annualized asset-based fee) <ul style="list-style-type: none"> <li>Individual fixed income securities including investment grade bonds and municipal bonds.</li> </ul>	Negotiated fee schedule not to exceed 0.75%
<b>Consulting Services</b> (flat and/or hourly fee) <ul style="list-style-type: none"> <li>Custom engagements encompassing one or more of the following: <ul style="list-style-type: none"> <li>Diagnostic Portfolio review</li> <li>Financial Planning</li> <li>Asset Allocation</li> <li>Investment Governance and Design</li> <li>Portfolio Construction</li> <li>Performance Reporting, Monitoring and Analysis</li> <li>Custom Investment Solutions</li> </ul> </li> </ul>	Negotiated rate: Either fixed dollar fee, asset-based fee, and/or hourly fee of \$300
<b>Investment Advisory Services to Retirement Plans</b>	Negotiated Fee Schedule Not to Exceed 0.50%  Minimum Annual Fee: \$5,000

BPW has consolidated its various equity and fixed-income fee schedules into a revised "Wealth Management" and "Fixed-Income Only" categories, respectively. The updated fee schedule applies to new and prospective clients going forward. BPW plans to continue pre-established fee schedules with existing clients as set forth in each client's WMA. These arrangements may be more or less advantageous to such clients than the newly consolidated fee schedules offered to new and prospective clients.

BPW retains the discretion to waive its minimum asset level, charge a lower investment management or investment advisory fee, charge a flat fee, or waive its fee entirely based upon a number of factors (e.g. the BPW advisor providing the services, the client's anticipated future earning capacity and/or anticipated future additional assets, the dollar amount of assets to be managed, the client's related accounts, account composition, scope of the services to be provided, size and complexity of the engagement, the client's overall relationship with BPW's affiliated entities, grandfathered fee schedules, current/former employees and/or their family members, courtesy accounts, large cash positions not intended for investment, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

**Brokerage Fees** BPW does not charge for brokerage commissions, transaction fees, exchange fees, SEC fees or other related trading costs and expenses. Such commissions, fees and costs would be charged directly to clients by the clients' custodian and/or broker-dealer. The following is a list of additional fees and expenses that may be directly billed or borne proportionately by you and third parties:

Brokerage fees, commissions, transaction fees, custodial fees, transfer taxes, odd-lot differentials, margin interest, deferred sales charges (on mutual funds or annuities), wire transfer and electronic fund processing fees, advisory fees and administrative fees charged by mutual funds and exchange traded funds (ETFs).

The fees listed above would be charged by and paid to a broker-dealer, custodian, mutual fund company, or annuity issuer, as applicable.

Transaction fees in client accounts can vary due to (1) different pricing or fees charged by different brokers or custodians, (2) different fee structures due to legacy arrangements made by

predecessor firms, and (3) the broker used for any particular trade. Custodian statements may display certain transaction fees per trade, but commissions on certain statements or for certain transactions will be reflected in the net share price and not disclosed separately. In certain situations, and for certain transactions, transaction fees may be charged by the custodian to BPW. See Item 12 Brokerage Practices for more information.

## ACCOUNT TERMINATION

BPW generally requires a written notice of termination. Upon such notice, BPW will cease making investment decisions for client and implement any reasonable written instructions. Client's WMA will be terminated only after any open trades have been settled. BPW will refund any un-earned portion of its management fee. You shall have five (5) business days from the date of execution of our Wealth Management Agreement to terminate our services for a full refund.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

BPW does not charge performance based fees.

## ITEM 7 – TYPES OF CLIENTS

BPW provides investment advisory, consulting, wealth management, and financial planning services to a wide variety of clients. BPW's clients include:

- Individuals;
- Trusts, estates and charitable organizations;
- Family Offices;
- Corporations or other business entities;
- Banking and Trust companies;
- Not-for-profit entities, including foundations;
- Retirement and profit sharing plans including IRAs and 401(k) accounts;
- State or municipal government entities; and
- Other investment advisers

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

**Methods of Analysis** BPW uses fundamental, quantitative and technical analysis in evaluating securities. Fundamental analysis involves looking at economic, financial and other qualitative and quantitative factors in an effort to measure a security's value. We use various financial databases to screen publicly traded companies to identify a smaller universe of candidates that meet our criteria for growth, value and income (dividends). We rely on tools such as Bloomberg Professional, Morningstar Direct, FactSet and BondEdge. We also use commercially available technology, financial periodicals and other publications, SEC filings, and financial statements to assist with our analysis. In certain instances, we may use outside consultants to provide expertise in particular areas or for more in-depth analysis, and views and analyses received from broker-dealers ("sell-side research") may be considered as part of BPW's evaluation process as well.

Our investment selection process for fixed-income securities is based on the specific client's/strategy's goal for liquidity, our portfolio manager's outlook, and our view of the environments for interest rates and corporate and/or municipal credit.

Our investment team employs a rigorous due diligence review process to select the external managers and their strategies that may be available to our clients. This review includes quantitative and qualitative analyses to assess each manager's likelihood of generating strong future returns as well as to measure the risks associated with the generation of those returns. BPW's investment team proactively monitors external managers for adherence to their stated investment process and regularly assesses whether risks are being responsibly managed. The team's ongoing screening process is also designed to uncover new external investment strategies. This process is applied to the selection of mutual funds and ETFs, as well as external manager separate accounts and limited partnership structures.

BPW's investment platform provides access to the following:

**External Manager Separate Accounts** BPW may engage any U.S. registered investment adviser as a separate account manager to manage a client's assets on behalf of a client and at the client's expense. Separate accounts allow investors to own securities directly rather than indirectly through ownership of a fund.

**Mutual Funds and ETFs** BPW's third party search and selection team evaluates, selects and monitors mutual funds and ETFs across multiple asset classes and investment styles through a rigorous qualitative and quantitative analysis process.

**Donor Advised Funds** Depending on a client's interest in charitable giving through donor-advised funds, BPW may allocate a portion of the client's assets to such a fund, in accordance with our arrangements with each pertinent foundation.

**Alternative Investments** BPW will evaluate, select and monitor alternative investments for qualified clients. These may include investments in private equity, hedge funds, real estate, commodities or liquid alternatives.

**Derivative Investments** BPW will evaluate, select and monitor investments in derivative instruments for qualified clients. These include sophisticated option-based strategies.

**Proprietary Strategies** Our proprietary strategies include equity, fixed-income, options, and tactical strategies described under "Proprietary Separate Account Strategies" below.

### PROPRIETARY SEPARATE ACCOUNT STRATEGIES

**Equity** BPW offers several proprietary equity strategies designed to meet your investment objectives. Strategies include core, growth, income-oriented, small-mid cap and all cap.

**Fixed Income** BPW's fixed-income strategies include taxable, tax-exempt, short duration and high-yielding portfolios. Fixed-income strategies can be customized to meet your unique parameters specific to tax status and state of residence, target duration, credit quality, and cash flow needs.

**Tactical** BPW offers quantitatively managed strategies that are designed to participate in market growth and protect against market declines by increasing cash and short-term fixed-income holdings in down markets. BPW's tactical suite is designed to complement a traditional, diversified stock and bond allocation and provide a way to actively adjust your exposure, reducing risk in times of severe market stress. The primary objective of the tactical suite is to seek to protect principal in volatile markets with a secondary objective of growing wealth in rising markets.

### RISK OF LOSS

Investing in securities involves a risk of loss that you should be prepared to bear. This risk includes the potential loss of your principal (invested amount) and any profits that have not been realized. Markets can be volatile and prices of stocks, bonds, commodities and other investments can fluctuate substantially over time. Other factors such as economic and political events also can affect the performance of your investments. There is no guarantee that you will not lose money or that you will meet your investment objectives. We encourage you to discuss any questions with us that may arise regarding our investment philosophy and your portfolios throughout the course of our relationship.

Any investment managed for clients by BPW or external investment managers could decrease in value as a result of the following events.

**Market Risk** A decline in the stock market could depress the prices of stocks and other equity securities in a client's portfolio.

An increase in interest rates or a change in the relationship between different market interest rates could depress the prices of bonds and other fixed-income securities in a client's portfolio.

**Event Risk** An adverse event affecting a particular company or that company's industry could depress the price of a client's investments in that company's stocks or bonds.

The company, government or other entity that issued bonds in a client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency.

Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.

**Liquidity Risk** Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions. Certain investments including private placement vehicles are inherently illiquid and therefore involve additional risks.

**Domestic and/or Foreign Political Risk** Events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.

**Inflation Risk** Nations around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.

**Derivative Instruments** Investing and engaging in derivative instruments and transactions, including options, commodity funds and commodity exchange traded funds ("ETFs"), may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

- **Possible Leverage** A derivative instrument or transaction may disproportionately increase an account's exposure to the market for the assets underlying the derivative position and the sensitivity of an account's portfolio to changes in market prices for those assets. Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions on an account's performance.
- **Counterparty Credit Risk** The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. If a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.
- **Lack of Correlation** The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. If a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an account's assets being incompletely hedged or not completely offsetting price changes in the derivative position.
- **Illiquidity** Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible

to negotiate the termination of an over-the-counter contract or enter into an offsetting contract, a counterparty may be unable or unwilling to terminate a contract with an account, especially during times of market instability or disruption. The markets for many exchange traded futures, options and other instruments are quite liquid during normal market conditions, but this liquidity may disappear during times of market instability or disruption.

- **Less Accurate Valuation** The absence of a liquid market for over-the-counter derivatives increases the likelihood that BPW will be unable to correctly value these interests.

**Margin Accounts** Some of our investment strategies require that you maintain a margin account. Clients who purchase securities may pay for them in full (a "cash account") or may borrow part of the purchase price from the broker-dealer that holds his/her account (a "margin account"). Clients generally use margin to leverage their investments and increase their purchasing power. At the same time, clients who trade securities on margin incur the potential for higher losses. We will discuss the risks of using margin with you to determine if it is appropriate for your portfolio but, in general, would like for you to know about some of the major risks of trading on margin.

- You can lose more funds than you deposit in a margin account.
- The broker-dealer holding your account can force the sale of securities in your account.
- The broker-dealer can sell your securities without contacting you.
- You are not entitled to an extension of time on a margin call.

## ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all legal or disciplinary events that are material to a client's evaluation of the firm or the integrity of its management. BPW has not been the subject of any disciplinary action.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Item 4, SVB is the parent company of BPW.

BPW is affiliated with SVB Wealth Advisory, Inc., a dually registered investment adviser and FINRA-registered broker dealer. As the integration processes continue by and between SVB Wealth Advisory and Boston Private Wealth, certain personnel may become dually registered as investment advisor representatives of BPW and SVB Wealth Advisory.

BPW is affiliated with SVB Asset Management ("SAM"), an investment adviser registered with the SEC. The types of advisory services and the client mandates that BPW provides and offers are not expected to conflict or overlap materially with SAM's services and mandates. Nevertheless, certain inherent conflicts of interest may arise from BPW's affiliation with SAM, including conflicting investment strategies.

BPW is affiliated with SVB Leerink LLC, an institutional broker-dealer and a member of FINRA, through a common corporate parent in SVB Financial Group. The types of advisory services and the client mandates that BPW provides and offers are not expected to conflict or overlap materially with the investment program of SVB Leerink LLC. BPW could introduce clients to SVB Leerink LLC, although any introductions would not be a part of its discretionary investment advisory services to a client. BPW and its advisory personnel would not be compensated for any such introduction, and any client that ultimately decides to invest with SVB Leerink LLC, would do so

at their own discretion. Due to SVB Leerink's affiliation with SVB Financial Group, the firm may have an indirect interest in making client referrals to SVB Leerink LLC.

BPW is affiliated with certain other entities that may serve as general partners and/or investment advisers of investment funds ("SVB General Partners"). The types of advisory services and the client mandates that BPW provides and offers are not expected to conflict or overlap materially with the investment programs of the SVB General Partners. BPW could introduce clients to a SVB General Partner, although any introductions would not be a part of its discretionary investment advisory services to a client, BPW and its advisory personnel would not be compensated for any such introduction, and any client that ultimately decided to invest with an SVB General Partner would do so at their own discretion. Due to SVB General Partners' affiliation with SVB Financial Group, the firm may have an indirect interest in making client referrals to SVB General Partners.

BPW Wealth Advisors may also introduce prospective clients to bank products of Silicon Valley Bank, an affiliate of BPW, or other products/services of SVBFG, the parent of BPW. Such recommendations or introductions are not part of any discretionary investment advisory service to a client of BPW. BPW Relationship Managers and their management personnel may receive a subjective annual bonus at the discretion of their supervisors but not directly related to the sales of specific products/services. Due to BPW's relationship with SVB, the firm may have an indirect financial interest in making such introductions.

In addition, SVB provides a variety of support services to BPW, including human resources, information technology, facilities, finance, legal and administrative support. BPW does not believe such support services create a material conflict of interest with clients. BPW may refer clients to SVB for banking products such as personal or business loans, cash sweep accounts and other products, and SVB may also invest in or otherwise have an ownership interest in certain BPW clients. Clients who use SVB or affiliated products or services will be subject to the fees associated with such service charged by SVB or its affiliates. BPW, as a wholly owned subsidiary of SVB, may have an indirect interest to refer clients to SVB's banking products and other affiliated business groups. In addition, and during the integration execution phase, SVB may refer its clients to BPW for investment advisory services.

### THIRD PARTIES

Affiliates of BPW have a financial interest in Founders Circle Capital ("FCC"), an SEC- registered investment advisor. The types of advisory services and the client mandates that BPW provides and offers, respectively, are not expected to conflict or overlap materially with services of FCC. BPW may introduce clients to FCC, although any such introduction would not be a part of BPW's discretionary investment advisory services to a client, BPW and its advisory personnel would not be compensated for any such introduction, and any client that ultimately decided to invest with FCC would do so at his or her own discretion. Due to BPW's indirect financial interest in FCC, we may have an indirect incentive in making client referrals to FCC.

### SUB-ADVISORY SERVICES TO AFFILIATED TRUSTEE

BPW provides investment advisory services to SVB, providing discretionary investment management services over the assets for which SVB serves as a trustee, executor, or agent. These services are substantially similar to the services provided to other BPW clients.

### INSURANCE

While BPW routinely provides insurance planning as part of a client's financial plan, BPW does not sell insurance. None of BPW's representatives are licensed insurance agents. BPW may provide Client with recommendations of licensed insurance agents for the purchase of various types of insurance. BPW does not accept or receive referral compensation from any of the firms to whom it refers clients.

### SALES OF FIDELITY-ISSUED ANNUITY

BPW has partnered with Fidelity Investments Life Insurance Company to offer an annuity issued by Fidelity that utilizes our professional investment management of the underlying sub-accounts (our Managed Annuity Strategy). BPW does not receive any special compensation or financial incentive from Fidelity, any of its affiliates, or any sub-account managers with respect to annuities issued by Fidelity.

As part of its fiduciary duties to clients, BPW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by BPW or its affiliates from Fidelity creates a potential conflict of interest and may indirectly influence BPW's choice, or recommendation to its clients, of non-transaction fee mutual funds not sponsored by Fidelity for investment in Fidelity Accounts.

### ITEM 11 – CODE OF ETHICS

Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act") requires registered investment advisers to establish, maintain and enforce a Code of Ethics. Additionally, advisers must adopt and implement policies and procedures to prevent the misuse of material non-public information. Further, advisers have a fiduciary duty under the Advisers Act, to act in the best interest of each client.

All employees are subject to our Code of Ethics. Among other things, our Code of Ethics requires employees to comply with applicable securities laws, exhibit high ethical standards and place clients' interests first in accordance with our fiduciary duty to our clients. Any firm employee who fails to observe our Code of Ethics and related firm policies and procedures risks serious sanctions, including dismissal.

BPW's Code of Ethics sets forth the Firm's policies and procedures regarding personal securities transactions. These policies and procedures are designed to identify and prevent or mitigate actual conflicts of interest and to address such conflicts appropriately, if they do occur. Our employees are required to submit periodic reports regarding personal securities transaction, holdings and accounts. BPW employees are required to report all securities transactions and holdings except for: U.S. government obligations; money market funds; bankers acceptances; bank CDs; 529 plans, commercial paper; high quality short- term debt instruments; shares issued by money market funds; open end mutual funds registered in the US and shares issued by unit investment trusts that are exclusively invested in open-end mutual funds registered in the United States. Our Compliance team is responsible for reviewing such employee reports.

In certain instances, BPW employees may invest in the same securities that BPW recommends to its clients. Such transactions are reviewed by BPW's Compliance team and if such transactions are permitted, it is because BPW believes that such transactions do not present a conflict of interest considering the markets and liquidity for the securities traded.

Our Code of Ethics also provides that our employees may not serve on the board of directors of any public company, including mutual



fund boards of trustees without prior approval. Employees must obtain prior written permission to serve as a trustee on a client account other than the account of a family member or to serve as a trustee or a board member for any charity or not-for-profit entity. Our employees do, in fact, serve in these capacities on various charitable, civic and community boards. If such service is approved, it is because we have determined it does not create any conflict of interest.

BPW does not buy securities from, or sell securities to, its clients (i.e., BPW does not engage in “principal transactions” with its clients). BPW is not a registered broker-dealer, nor do we have an affiliated broker-dealer. Accordingly, we never engage in “agency cross” trades between clients.

You may request a complete copy of our Code of Ethics by contacting the Compliance team at the address or email address on the cover page of this Brochure.

## ITEM 12 – BROKERAGE PRACTICES

### CLIENT ACCOUNT CUSTODIANS

BPW is not a custodian of client assets, meaning that it does not hold physical possession of your securities accounts. Client assets must be maintained in an account at a “qualified custodian”, which is generally a broker-dealer or a bank. Clients may choose to custody their assets with any number of custodians; generally, BPW’s clients elect to use Fidelity Investments (“Fidelity”) or Charles Schwab & Co. (“Schwab”), each registered broker-dealers, as the qualified custodian. BPW is not affiliated with these broker dealers. These custodians hold client assets in a brokerage account and buy/sell securities upon BPW’s instruction. Clients enter into a separate agreement with the custodian(s) for these brokerage and custody services. Even though the account is maintained at a particular custodian, BPW is also able to execute trades for client accounts through other brokers, as described below (see “Brokerage and Custody costs”).

BPW’s parent company, SVB, is also a qualified custodian. Clients may choose to custody their assets with SVB. As with Schwab, Fidelity or any other custodian, clients enter into a separate agreement with SVB for custody and brokerage services. BPW personnel have the same access/limitations with respect to client accounts as with an unaffiliated custodian. Although SVB is an affiliate of BPW, any potential conflict of interest has been minimized if clients choose to custody with SVB. SVB does not charge any separate custodial fees and BPW is not incentivized to direct clients to SVB. As a bank custodian, rather than a broker-dealer custodian, the assets for which SVB serves as qualified custodian are maintained “off balance sheet,” meaning that the arrangement provides the Client with additional asset protection benefits not available through broker-dealers.

## BEST EXECUTION – HOW WE CHOOSE BROKER-DEALERS

When it comes to executing transactions for client accounts, BPW uses a number of different brokerage firms. BPW utilizes independent brokers and dealers to purchase and sell securities for client accounts. In selecting brokers and dealers to effect client transactions, seek: (1) the prompt execution of client transactions while market conditions still favor the transaction and (2) the most favorable net prices reasonably obtainable taking into account the relevant circumstances. This is called “best execution.”

Brokerage fees charged to clients for trades executed through clients’ custodians and other broker-dealers may vary. There may be specific

terms, fees, or commission schedules associated with trading with qualified custodians’ affiliated broker-dealers. The trading desk considers applicable terms, fees and commissions imposed by the applicable custodians, and seeks to execute trades through the most cost-effective broker-dealer without sacrificing execution quality. As a result the price and the commission rates at which trades are executed may vary with the executing broker and the applicable custodian.

Brokers identified and approved as equity trading partners are listed on BPW’s “Equity Broker Approved List.” When selecting a new equity broker, our investment team conducts a due diligence review of the broker to evaluate whether the broker is likely to provide best execution. We may consider any of the following factors, among others:

- The quality of services provided (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range)
- The extent of coverage of the various markets BPW trades in
- The broker’s ability to communicate effectively
- The broker’s ability to execute and settle difficult trades
- Whether the broker offers lower cost electronic trading
- The broker’s clearance and settlement efficiency
- Whether or not the broker can handle BPW’s range of order sizes
- The broker’s ability to maintain confidentiality and anonymity
- The broker’s reputation
- The broker’s stability and financial strength

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. In making this assessment we consider the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. BPW does not consider participation in the WAS program with Fidelity, the AdvisorDirect program with TD Ameritrade, or the Schwab Advisor Network® program with Charles Schwab & Co. (please see Item 14 Client Referrals and Other Compensation below) in choosing brokers and dealers to execute client transactions.

Certain custodians have programs that allow us to transact in mutual fund shares and other securities without transaction charges or at nominal transaction charges.

## FIXED INCOME SECURITIES TRANSACTIONS

Fixed-income securities (i.e., bonds) are generally traded in an over-the-counter market. In this market, bond dealers place bids and make offers to buy and sell bonds on a net basis with no stated commission plus accrued interest. Any commission or net markup is implied by the difference or “spread” between the price the dealer purchases the bond for and the price the dealer sells the bond at. A new issue bond is sold to purchasers at a net price with a fixed sales credit paid to the underwriter by the issuers of the bond.

Dealers identified and approved as fixed-income trading partners are listed on BPW’s “Fixed-income Approved Dealer List.” Before BPW selects a new fixed-income dealer, a member of the Fixed-income Department identifies the new dealer to be considered and provides due diligence material to the Chief Investment Officer for approval. Under the oversight of the investment policy committee, the Chief Investment Officer reviews this due diligence material and approves or rejects the selection of the dealer. We may consider any of the following factors:

- The quality of services provided
- The extent of coverage of the various markets BPW trades in



- The dealer's ability to communicate effectively with us
- The dealer's ability to execute and settle difficult trades
- Whether or not the dealer offers lower cost electronic trading
- The dealer's clearance and settlement efficiency
- Whether or not the dealer can handle BPW's range of order sizes
- The dealer's ability to maintain confidentiality and anonymity
- The reputation of the dealer
- The stability and financial strength of the dealer

On an ongoing basis, the Fixed-income team monitors our relationships with dealers on our Fixed-income Approved Dealer List and documents any issues involving a particular dealer.

## RESEARCH AND OTHER SOFT DOLLAR BENEFITS

While we seek best execution on behalf of those clients who do not direct us to trade with a particular broker-dealer, we may direct trades to certain broker-dealer affiliates of client custodians in return for investment research products and/or services that assist us with our investment decision-making process. Generally, the research that we receive is used to benefit all of our clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that particular client's portfolio. Client commissions utilized to pay for brokerage and research are known as "soft dollars." When clients do not direct us to trade through a particular broker-dealer, BPW seeks to comply with Section 28(e) of the 1934 Act, which provides a "safe harbor" allowing investment advisers to choose broker-dealers to execute client trades at a commission rate that may be higher than lowest available commission for brokerage and research services if BPW determines in good faith that: (1) the brokerage or research services fall within the definitions of eligible research services set forth in Section 28(e); (2) the brokerage or research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided. Our receipt of these services as well as our allocation of the benefit of these services may pose conflicts of interests further described below.

BPW receives a benefit from commissions paid by clients because BPW does not have to produce or pay for the research, product, or services. Further, BPW may have an incentive to select a broker-dealer based on its interest in receiving research, products or services, rather than on our clients' interest in best execution.

BPW may receive computer software and related systems support from Fidelity Investments, TD Ameritrade and/or Charles Schwab because we provide investment services to the clients who have selected these custodians. These tools allow us to better monitor client accounts maintained with these custodians and may provide some benefits to us that do not have direct benefits for the clients. We always strive to put the interests of our clients first but you should be aware that our receipt of these economic benefits from a broker-dealer creates a conflict of interest since these benefits (a) may influence our choice of custodian, in the occasional case that we would recommend or choose a custodian, or (b) may influence our choice of broker-dealer to trade client accounts, over another custodian or broker-dealer that does not furnish similar software, systems support, or services.

BPW participates in the institutional adviser program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated, independent SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. BPW

receives some benefits from TD Ameritrade through its participation in the Program. As a result of its participation in the Program, BPW may have a potential conflict of interest with respect to its decision to use TD Ameritrade for execution, custody and clearing for certain client accounts and BPW may have a potential incentive to suggest the use of TD Ameritrade and its affiliates to its advisory clients. (Please see additional disclosures about the Program and other TD Ameritrade programs under Item 14 below.)

BPW also participates in the AdvisorDirect Program with TD Ameritrade ("AdvisorDirect") through which TD Ameritrade provides client referrals to BPW for which BPW pays a fee to TD Ameritrade. As a result of its participation in AdvisorDirect, BPW may have a potential conflict of interest with respect to its decision to use TD Ameritrade for execution, custody and clearing for certain client accounts, and BPW may have a potential incentive to suggest the use of TD Ameritrade to its advisory clients, whether or not those clients were referred to BPW as part of the AdvisorDirect Program.

BPW's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, BPW may have an incentive to recommend to clients that the assets under management by BPW be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade.

In addition, BPW has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. BPW's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

BPW also participates in the Fidelity Wealth Advisor Solutions Program (the "WAS Program") with Fidelity, through its subsidiary Strategic Advisers, Inc. ("SAI"), which provides client referrals to BPW for which BPW pays a fee to Fidelity. (Please also see the disclosure under Item 14. below.) As a result of its participation in the WAS Program, BPW may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including Fidelity Brokerage Services, LLC ("FBS") for execution, custody and clearing for certain client accounts, and BPW may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to BPW as part of the WAS Program.

Under an agreement with SAI, BPW has agreed that it will not charge clients more than the standard range of advisory fees disclosed in this Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, BPW has agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when BPW's fiduciary duties would so require; therefore, BPW may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit BPW's duty to select brokers on the basis of best execution.

BPW participates in Schwab Advisor Services (formerly known as Schwab Institutional). Schwab Advisor Services serves independent investment advisory Firms like BPW by providing advisers and their clients with access to institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help advisers

manage or administer clients' accounts while others help advisers manage and grow their business. A more detailed description of Schwab's support services is included below.

Schwab'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 available through Schwab include some to which advisers might not otherwise have access or that would require a significantly higher minimum initial investment by clients. Schwab's services described in this paragraph generally benefit clients and clients' accounts.

Schwab also makes available to advisers other products and services that benefit advisers but may not directly benefit clients or clients' accounts. These products and services assist advisers in managing and administering clients' accounts. They include investment research, both Schwab's own and that of third parties. Advisers may use this research to service all or some substantial number of clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of fees from clients' accounts; and
- assist with back-office functions, record keeping and client reporting.

Finally, Schwab also offers other services intended to help advisers manage and further develop their business enterprise. These services include:

- 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 insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to advisers. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide advisers with other benefits such as occasional business entertainment of advisers personnel.

## CLIENT DIRECTED BROKERAGE

Certain clients may direct BPW to use a particular broker or dealer who has an existing relationship with or provides custodial or other services to a client. BPW requires any directed brokerage instructions to be in writing. Before choosing to enter into a directed brokerage arrangement, clients should be aware of the following disadvantages:

- Directed brokerage clients may pay higher commission rates than those paid by other clients, may receive less favorable trade executions and may not obtain best execution on their transactions.
- Directed brokerage accounts may not be able to participate in aggregated or block transactions with other clients. This may preclude directed brokerage accounts from obtaining more favorable terms that might be available from aggregated transactions.
- If BPW is placing orders in the same security for both directed brokerage clients and clients that do not direct, BPW may place orders for directed brokerage clients after it has placed orders for other clients.

As a registered investment adviser, we have a duty of best execution to our clients. Accordingly, we retain the right to decline your request for directed brokerage if, in our sole discretion, we determine it would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

## TRADE AGGREGATION & ORDER HANDLING

As previously noted, we manage both customized portfolios and specialized strategies. Clients in our specialized strategies hold the same securities. Clients with customized portfolios may hold the same securities. We may block or aggregate orders when buying and selling securities held in our specialized strategies and distribute or allocate the shares pro-rata to the respective clients' accounts. We may block or aggregate orders with each custodian, resulting in several block trades in one security at one time. This practice may result in more favorable pricing than would occur with individual trades. When securities are distributed to more than one client, the execution price will be the average of the price of the securities within each block. This will result in the same trade price for all clients within the block, but there can be differences between accounts due to commission charges, which often are related to the number of shares allocated. In addition, prices may vary between block trades executed with different custodian/broker-dealers.

In certain situations, BPW may aggregate, or block trades in a particular security, on behalf of a group of client accounts held with different custodians in order to provide more favorable executions. In such situations, BPW may trade away from the clients' respective custodians and the clients included in the block will be charged by the executing broker(s). Clients may or may not see a trading cost associated with such trade on their statement; generally, when BPW is "trading away" from the clients' custodians, the trading costs will be reflected in the per share price of the transaction. Accordingly, clients may see transactions on their custodian statement without specific trading costs when the transaction was traded away, where some transactions may reflect a commission expense for execution with the applicable custodian/broker-dealer.

Securities purchased or sold in a block transaction are allocated pro rata, when possible, to the participating client accounts in proportion to the size of the order for their respective accounts. In all cases, we distribute the securities equitably across the accounts. If circumstances are such that it is impractical for us to allocate a small number of securities across accounts then we may allocate in a manner that we believe is fair to all clients.

Generally we place trades on a client-by-client basis for our customized portfolios unless we decide to purchase or sell the same securities for several clients at approximately the same time. In these instances we may, but are not obligated to, block these orders as described above.

BPW does not have an affiliated broker-dealer. Accordingly we never purchase or sell securities for our clients on a "principal" basis. A principal trade, by definition, involves a broker-dealer buying or selling from its own inventory to clients. Additionally, we do not engage in "agency cross" trades between clients, i.e., acting on behalf of our client as well as the party on the other side of the transaction.

## ITEM 13 – REVIEW OF ACCOUNTS

BPW believes that ongoing client account reviews should be an integral part of our process and has implemented several processes conducted by different groups within our Firm. These groups bring varying expertise to the process and help us maintain our high service standard.

BPW manages clients' investment accounts based on client objectives and risk tolerances. We will periodically review client portfolios to ensure that the clients' asset and/or strategy allocations are being managed in line with BPW's stated strategy objective, policies and procedures.

At the inception of each new relationship, BPW will conduct a review of new account paperwork designed to ensure that we have obtained all necessary information about the client as well as the appropriate documentation such as trust documents, corporate resolutions, etc.

BPW will review the services selected and their suitability based on the information provided in new account documentation. Once relationships are established, accounts will be reviewed periodically and no less frequently than annually to ensure that investments remain consistent with stated objectives. Changes in client financial circumstances may also trigger an investment review, if wealth advisors are apprised of such changes.

Financial planning services are also available. We can provide summaries of our analyses and related conclusions as well as special reports that we mutually agree are necessary. We encourage our clients to discuss their needs, goals and objectives and keep us informed of any material changes.

BPW will provide advisory clients quarterly reports, upon request, containing pertinent information related to their managed assets and the services we are providing. Those reports may contain a listing of holdings, a summary of inflows and outflows, performance summary and asset allocation breakdown in addition to other relevant data.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **SVB CASH SWEEP PROGRAM**

For those BPW clients who custody their accounts with Fidelity, BPW offers a cash sweep option to its advisory clients as an alternative to the Fidelity sponsored cash sweep (known as "F-Cash"). Through its parent company SVB, BPW offers this as an insured bank deposit program (the "Program"), to which un-invested cash in eligible client portfolios is "swept" as a deposit. BPW's asset based management fee typically applies to allocations to cash and cash equivalents in clients investment accounts, which includes funds allocated to the Program. The above factors create a conflict of interest, because leveraging this program provides SVB with a relatively low cost source of funding, creating an incentive for BPW to keep larger cash balances in BPW client accounts.

BPW has addressed and mitigated this conflict of interest in the following ways:

- The Program offers higher deposit interest rates to BPW clients than the Fidelity cash sweep.
- BPW monitors cash allocations in client accounts to stay within certain parameters.
- BPW's advisors do not receive any extra compensation for cash allocated to the Program.

In addition, BPW has offered clients the ability to opt out of the Program. The FDIC insurance limit is \$250,000 per person, which may be impacted by a client's other deposit accounts held with SVB.

The asset-based management fees assessed by BPW to advisory clients includes client portfolio positions in cash and cash equivalents, including client accounts participating in the Program. BPW clients who have a direct relationship with SVB are responsible for any fees that are assessed with respect to such deposit or other bank

accounts. Information regarding the Program, including information regarding the scope of FDIC insurance and the existence of the conflicts of interest with respect to the Program has been provided to advisory clients participating in the Program.

### **INTRA-COMPANY REFERRALS**

SVB refers clients to BPW and vice-versa. BPW ensures that its services are suitable for clients referred to it by SVB. BPW views its ability to provide clients with banking solutions such as residential and commercial mortgages, personal and commercial loans, or business/personal banking, as a valuable resource. Although BPW believes that clients value the opportunity to have a more holistic relationship with Boston Private by having access to SVB's products and services at competitive rates, it nevertheless presents a conflict of interest because BPW advisers have an incentive to refer clients to such banking products and services. In no circumstance does a client pay additional fees or expenses beyond SVB's customary charges for the particular services chosen. When warranted by the totality of the client relationship, a client sometimes receives more favorable rates for the banking products/services purchased. Any additional compensation paid to BPW employees for such referrals is calculated and paid from strictly from internal sources.

### **CUSTODIAN REFERRAL PROGRAMS**

BPW is part of the Fidelity Wealth Advisor Solutions network, TD Ameritrade's AdvisorDirect program, and the Schwab Advisor Network®. Our participation in these programs allows us to receive client referrals and other benefits from these firms. BPW also has relationships with certain third party solicitors. Please see below for more information.

### **FIDELITY WEALTH ADVISOR SOLUTIONS PROGRAM**

BPW participates in the Fidelity Wealth Advisor Solutions Program (the "WAS Program"), through which BPW receives referrals from Fidelity Personal and Workplace Advisors LLC. ("FPWA"), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. BPW is independent and not affiliated with FPWA or FMR LLC. FPWA does not supervise or control BPW, and FPWA has no responsibility or oversight for BPW's provision of investment management or other advisory services. The WAS Program is designed to help investors find an independent investment adviser, and any referral from FPWA to BPW does not constitute a recommendation or endorsement by FPWA of BPW's particular investment management services or strategies.

Under the WAS Program, FPWA acts as a solicitor for BPW, and BPW pays referral fees to FPWA for each referral received based on BPW's assets under management attributable to each client referred by FPWA or members of each client's household. These referral fees are paid by BPW and not the client. More specifically, BPW pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any all assets in client accounts where such assets are identified as "fixed-income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven year limitation. In addition, BPW has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program.

To receive referrals from the WAS Program, BPW must meet certain minimum participation criteria, but BPW may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage



Services, LLC ("FBS").

As a result of its participation in the WAS Program, BPW may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and BPW may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to BPW as part of the WAS Program. Under an agreement with FPWA, BPW has agreed that it will not charge clients more than the standard range of advisory fees disclosed in this Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, BPW has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when BPW's fiduciary duty would so require, and BPW has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, BPW may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit BPW's duty to select brokers on the basis of best execution.

### TD AMERITRADE'S ADVISORDIRECT

BPW formerly participated in TD Ameritrade's AdvisorDirect national referral program. BPW is not affiliated with TD Ameritrade, nor does TD Ameritrade supervise or have responsibility to oversee BPW's investment management or other advisory services. BPW may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, BPW may have been selected to participate in AdvisorDirect based on the amount and 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 BPW and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to unaffiliated investment advisers. TD Ameritrade does not supervise BPW and has no responsibility for BPW's management of client portfolios or BPW's other advice or services. BPW pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to BPW ("Solicitation Fee"). BPW will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by BPW from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired BPW on the recommendation of such referred client. BPW will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients.

BPW's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, BPW may have an incentive to recommend to clients that the assets under management by BPW be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, BPW has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody

accounts at other custodians, except when its fiduciary duties require doing so. BPW's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

### TD AMERITRADE INSTITUTIONAL ADVISOR PROGRAM

BPW participates in TD Ameritrade's Institutional program and BPW may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between BPW's participation in the program and the investment advice it gives to its Clients, although BPW 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 BPW 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 Client 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 BPW by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by BPW and/or BPW's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit BPW but may not benefit its Client accounts. These products or services may assist BPW in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help BPW manage and further develop its business enterprise. The benefits received by BPW or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

### TD AMERITRADE – ADDITIONAL SERVICES

BPW also may receive from TD Ameritrade certain additional benefits ("Additional Services") that may not be offered to any other independent investment advisers participating in the program. Specifically, the additional services include Factset Research Systems, Ned Davis Research, Credit Sight, Bloomberg, FIS Solutions and Interactive Data. TD Ameritrade provides the Additional Services to BPW at its sole discretion and at its own expense, and BPW does not pay any fees to TD Ameritrade for the Additional Services. BPW and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services, which include the requirement that the Additional Services be used in connection with BPW's investment advisory business for the direct or indirect benefit of BPW's and TD's mutual clients.

BPW's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to BPW, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, BPW's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with BPW, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, BPW may have an incentive to recommend to its clients that the assets under management by BPW be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. BPW's receipt of Additional Services does not diminish its duty to act in the best of its clients, including the duty to seek best execution of

trades for client accounts.

As part of its fiduciary duties to clients, BPW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by BPW or its related persons in and of itself creates a potential conflict of interest and may indirectly influence BPW's choice, or recommendation to its clients, of TD Ameritrade for custody and/or brokerage services.

## SCHWAB ADVISOR NETWORK

BPW formerly received client referrals from Charles Schwab & Co., Inc. ("Schwab") through BPW's participation in Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with BPW. Schwab does not supervise BPW and has no responsibility for BPW's management of clients' portfolios or BPW's other advice or services.

BPW pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by BPW is a percentage of the fees the client owes to BPW or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. BPW pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to BPW quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by BPW and not by the client. BPW has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs BPW charges clients with similar portfolios who were not referred through the Service.

BPW generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees BPW generally would pay in a single year. Thus, BPW will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of BPW's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, BPW will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit BPW's fees directly from the accounts.

For accounts of BPW's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from BPW's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, BPW may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. BPW nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for BPW's

other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

## THIRD PARTY SOLICITORS

BPW may also from time to time enter into written solicitor agreements with unaffiliated third parties to whom BPW pays referral fees based upon fees received by BPW from the referred client relationship. BPW does not charge clients referred by a solicitor a higher fee or any additional charges than other similarly situated clients who were not referred by a solicitor. All referred clients will be provided a disclosure outlining how their fee is apportioned between BPW and the solicitor.

## ITEM 15 – CUSTODY

As described in Item 12, BPW does not maintain direct custody or possession of client funds or securities; they are held with qualified custodians. Certain assets managed or advised by BPW are held with SVB, an affiliated custodian. In certain circumstances, BPW is deemed to have custody for purposes of amended Rule 206(4)-2 of the Advisers Act for one or more of the following reasons:

- Assets managed by BPW are held with SVB;
- BPW is authorized by its clients to debit our management fees directly from client accounts;
- A BPW associate has been named as a trustee of a trust account which we manage; and
- BPW has authorization to direct payments from client accounts held by a certain custodian.

Because BPW is deemed to have custody of certain accounts, the SEC requires an annual surprise exam to be conducted by an unaffiliated CPA Firm. BPW clients typically receive custodian statements detailing all transactions in their accounts including contributions and withdrawals, fees and expenses charged to the accounts; and the value of the accounts at both the beginning and the end of each reporting period. Additionally, the custodian will produce a year-end summary and related tax reporting documents, as applicable.

Clients should always compare the statements received from their custodian to statements received from BPW.

## ITEM 16 – INVESTMENT DISCRETION

BPW generally provides investment advisory services on a discretionary basis. Discretionary authority means that BPW may exercise investment discretion over a client's account to effect transactions for the client without first having to seek the client's approval. The Firm's WMA provides a power-of-attorney for the limited purpose of providing BPW with the full authority to purchase, sell or otherwise effect investment transactions involving the assets in the client's discretionary accounts.

Clients may request, in writing, a reasonable limitation on this authority (e.g. limit the types/amounts of particular securities purchased for their accounts), which limitation will be accommodated where practicable. For clients participating in a specific proprietary model or strategy, BPW is generally unable to accommodate restrictions. BPW's discretionary authority extends to the following responsibilities:

- Amount and type of securities to be purchased or sold
- Timing of transactions
- Third Party Account/Money Managers to be utilized or discontinued for a client account

## CLASS ACTION SUITS

BPW ordinarily will not advise or act on behalf of clients in any legal proceedings, including bankruptcies or securities shareholder class



action litigation involving securities held or previously held in client accounts. The client has the responsibility to submit claims for class actions or bankruptcies which involve securities purchased for or held in the client's account. BPW is not responsible for responding on behalf of, or forwarding to clients, any class action documentation relating to securities currently or previously held in client accounts. Separate account managers selected by us are not required to, but may, participate in class action settlements on behalf of clients for the assets under their management.

## **ITEM 17 – VOTING CLIENT SECURITIES (PROXY VOTING)**

BPW generally will not accept authority for voting client securities (proxy voting), but may do so, in its sole discretion, in certain circumstances. For those client accounts where BPW has accepted proxy voting authority, BPW is responsible for the voting of all proxies related to securities held in those client accounts. BPW employs a third-party proxy voting service, Broadridge Investor Communication Solutions, Inc. ("Broadridge"), to vote client proxies in accordance with one of the two adopted standard proxy voting guidelines of Glass Lewis. Clients may choose between U.S. Proxy Voting Policy Guidelines or Socially Responsible Investing Proxy Voting Guidelines.

BPW may, but is not required to, authorize external separate account managers to vote any proxies relating to the sub- advised assets in accordance with the external separate account manager's proxy voting policy.

Conflicts can arise when BPW, an external separate account manager, any of their affiliates, or any of their employees has

any financial, business or personal relationship with the issuer of a proxy proposal for a security held in a client's account. To avoid potential conflicts of interest, BPW would vote proxies in accordance with one of our predetermined guidelines. In limited situations, we may consider voting under our own initiative for a particular issue, if we believe that it is in the best interest of the client. Before we reclaim proxy voting authority from Broadridge, we will determine and confirm that no potential conflict of interest exists.

To obtain information regarding proxy voting standard guidelines or how your proxies were voted, please submit a request to compliance. [wealth@bostonprivate.com](mailto:wealth@bostonprivate.com).

## **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required to provide clients with financial information or disclosures about their financial condition under circumstances that are not applicable to BPW. The Firm is financially sound and does not have any financial condition that would impair its ability to meet contractual or fiduciary commitments to clients.