

**Item 1 – COVER PAGE**

FORM ADV PART 2A\*  
Brochure

February 2021

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\*This brochure provides information about the qualifications and business practices of Bradley & Company Private Wealth Management, LLC, CRD Number: 296931. If you have any questions about the contents of this brochure, please contact the Firm's Principal and Chief Compliance Officer, Michael D. Bradley at telephone 415.655.5500. The information in this brochure has not been approved or verified by the U.S. Securities Exchange Commission or by any other state or federal regulating authority.

The oral and written statements of an advisor provide information upon which a prospective client may base a determination as to whether or not to hire the advisor. You are encouraged to review this Brochure and Brochure Supplement for the Firm's professional staff for more information on the qualifications of the Firm and its employees.

Additional information about Bradley & Company Private Wealth Management, LLC (reference the Firm's CRD Number: 296931) is available at on the internet at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2 - MATERIAL CHANGES FROM PRIOR FORM ADV 2A**

This updated Form ADV Part 2A contains the following changes from the prior version:

- Updated address on cover page.
- Updated information regarding assets under management at Item 4.
- Updated fee disclosure at Item 5.

## **Item 3 - TABLE OF CONTENTS**

ITEM 1 – COVER PAGE .....	- 1 -
ITEM 2 - MATERIAL CHANGES FROM PRIOR FORM ADV 2A .....	- 2 -
ITEM 3 - TABLE OF CONTENTS .....	- 2 -
ITEM 5 - FEES AND COMPENSATION .....	- 5 -
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	- 8 -
ITEM 7 - TYPES OF CLIENTS .....	- 8 -
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS .....	- 8 -
ITEM 9 - DISCIPLINARY INFORMATION .....	13
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	13
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	13
ITEM 12 - BROKERAGE PRACTICES .....	14
ITEM 13 - REVIEW OF ACCOUNTS .....	17
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION .....	17
ITEM 15 - CUSTODY .....	18
ITEM 16 - INVESTMENT DISCRETION .....	18
ITEM 17 - VOTING CLIENT SECURITIES .....	19
ITEM 18 - FINANCIAL INFORMATION .....	19

#### Item 4 - ADVISORY BUSINESS

Registration Status –	Registration <sup>1</sup> with the U. S. Securities Exchange Commission May 2018. Predecessor Firm Registered with the U. S. Securities Exchange Commission April 2015. <sup>2</sup> Predecessor Firm Registered or Licensed since 2007.
Principal Owner –	Michael D. Bradley
Assets Under Management –	Discretionary Assets – \$ 119,604,981
(as of December 31, 2020)	Non-discretionary Assets – \$ 10,470,382

#### ADVISORY SERVICES

Bradley & Company Private Wealth Management, LLC (sometimes “Bradley & Company” or “the Firm”) provides investment management, financial planning and other financial advisory services to its clients. Investment management services are provided on both a discretionary and non-discretionary basis and include, among other services, financial goal setting, risk assessment, strategic asset allocation and the selection of investments. Securities transactions are supervised on a continuous basis and each client's portfolio holdings and asset allocations are monitored on a periodic basis.

The investment management services we provide are based on each individual client's financial circumstances and investment objectives. Mr. Bradley meets with each client to discuss the client's current financial condition and to review the client's current investment holdings. Based upon each client's circumstances, we determine an appropriate asset allocation for the client's investment portfolio, in accordance with the client's specific financial objectives and risk tolerance and in consideration of other factors, including the client's time horizon (education funding, home purchase, retirement, legacy planning), liquidity needs, and other available resources (including external retirement plans, projected social security, outside investments, real estate, and insurance). Each client's financial objectives, risk tolerance, and liquidity needs, along with a recommended asset allocation, are incorporated into an investment plan that is customized to the client. Clients may identify any investment restrictions to be placed on their account.

A client may make additions to and withdrawals from the client's portfolio account at any time, subject to the Firm's right to terminate an account if the amount of assets drops below our account size minimum. Clients may withdraw account assets with notice to the Firm, subject to the usual and customary securities settlement procedures. However, we design client portfolios as long-term investments and caution our clients that asset withdrawals may impair the achievement of the client's investment objectives.

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<sup>1</sup> “Registration” means only that the Firm meets the minimum requirements for registration as an RIA and does not imply that any regulatory authority guarantees the quality of the Firm's services or recommends them.

<sup>2</sup> As of January 2018, the investment advisory practice of Bradley & Company, LLC, a California limited liability company wholly owned by Michael D. Bradley, were transferred to Bradley & Company Private Wealth Management, LLC, a Wyoming limited liability company wholly owned by Michael D. Bradley.

Additions to an account may be in cash or securities provided that we may decline to accept particular securities into a client's account or may recommend that the security be liquidated if it is inconsistent with the Firm's investment strategy or the client's investment objectives. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Financial Planning and Financial Consulting Services**

Bradley & Company provides comprehensive financial planning services on either an hourly fee or fixed fee basis. Bradley & Company's financial planning services may include a financial review and analysis of some or all of the following areas:

- Determining Financial Goals and Objectives
- Asset Allocation Review
- Retirement Plan Analysis
- Employee Stock Option Analysis
- Current Portfolio Review
- Education Funding Analysis
- Cost Audit of Current Investments
- Cash Flow Management Review
- Review of Insurance Needs
- Mortgage and Refinance Evaluation
- Estate Plan Review or Development
- Charitable Planning
- Opinion on Current Investment Strategy/Advisors
- Other financial or investment analysis

Financial planning clients need not be investment management clients of the Firm. Clients engaging the Firm to provide only financial planning or financial consultation services are required to enter into a separate written agreement setting forth the terms and conditions of the planning engagement and describing the scope of the services to be provided.

Bradley & Company may recommend to its financial planning and financial consultation clients that they retain the Firm as their investment advisor to implement its recommendations and such recommendation may be viewed as a conflict of interest. Financial planning and financial consultation clients are hereby advised that they are under no obligation to act on Bradley & Company's investment recommendations. Moreover, if a client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Bradley & Company.

Bradley & Company does not receive any additional compensation from the issuers of securities that it recommends to its clients. Bradley & Company does not receive referral fees for referring its clients to other professionals.

### **Selection of Other Advisors**

Neither the Firm nor its principals or employees are affiliated with any law or accountancy firm. For those clients that request assistance, Bradley & Company may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters.

In some instances, based upon a client's specific financial condition, investment goals, suitability considerations and risk tolerance, Bradley & Company may recommend that a portion of a client's portfolio be invested in pooled investment (such as a Exchange Traded or Mutual Fund or other such investment) that is managed by an independent third party investment advisor. In

these cases, the Firm conducts due diligence on the investment and the third-party investment advisor before making any recommendation to Bradley & Company clients. Such due diligence would include, but not be limited to a review of the third party advisor's investment management performance record, the description of the investment strategy and risks of the investment and the regulatory disclosures made by the third party advisor, including the advisor's registration status and disciplinary history and those of the advisors principals.

#### **Publication of Periodicals or Newsletters**

The Portfolio Manager, Michael D. Bradley distributes market commentaries to clients and prospective clients via email, available without charge to clients and the public.

#### **Fiduciary Status**

Bradley & Company is a fiduciary under applicable federal regulations and as a fiduciary, is obligated to provide services and advice that are in the best interest of each client.

#### **General Notices**

In performing its services, Bradley & Company relies upon the information received from each client or from the client's other professional advisors and is not required to independently verify such information. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision by our advisors of the client's portfolio and/or financial plan.

The Firm does not sponsor, nor does it provide portfolio management services to wrap fee programs offered by broker-dealers or others.

#### **TERMINATION OF AGREEMENT**

Bradley & Company and its clients may terminate their respective investment management agreement at the end of any calendar quarter, upon one calendar quarter's written notice. There is no fee charged for terminating the advisory agreement, however because a full quarter's notice is required, all management fees paid in advanced will have been earned by the termination and none will be refunded. If a copy of this Form ADV Part 2A disclosure statement was not delivered to the client prior to or simultaneous with a client entering into a written advisory contract with the Firm, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. For purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract. If the client terminates the contract on this basis, all fees paid by the client will be refunded. Any transaction costs imposed by the executing broker or custodian for establishing the custodial account or for trades occurring during that period are non-refundable.

#### **Item 5 - FEES AND COMPENSATION**

##### **ADVISORY FEES**

Bradley & Company charges a 1% annual fee for its investment management services based on the market value of the investments held each client's account. Assets in the account are included in the fee assessment unless specifically identified in writing for exclusion. The management fee is billed quarterly, in advance, and prorated for accounts established at times other than the start of the quarter. The fee is based on the market value of the assets as of the last day of the prior quarter.

The client's management fee to the Firm is determined in accordance with the above standard fee, with exceptions negotiated on a case-by-case basis. Under certain circumstances, and in

its sole discretion, the Firm may waive or alter the minimum account size and/or management fee requirements based upon the nature of the account and such factors, among others as: historical relationship with the client, number of related accounts and account composition.

Clients customarily authorize the Firm to deduct its quarterly investment advisory fee directly from the client's investment account. This authorization is granted by the investment management agreement and the client's instructions to the custodian. Bradley & Company provides a copy of the investment advisory fee invoice through the Morningstar Office® Client Web Portal at <http://www.fp.morningstar.com>, showing the amount of the fee, the value of the client's assets upon which the fee was based, and the specific manner in which the fee was calculated, at the same time it requests payment from the client's custodian. Clients receive an email from Morningstar prompting them to check the invoice on the web portal. Clients are advised to verify the accuracy of the fee calculation, as the custodian will not determine whether the fee is properly calculated on clients' behalf. Any discrepancy in fees should be communicated immediately to the Firm within 30-days of the billing date.

The client's investment management fee is determined in accordance with the above fee structure, with exceptions negotiated on a case-by-case basis at Bradley & Company's discretion. Any deviations from the fee structure are based upon a number of factors including the amount of work involved, the amount of assets placed under management and the attention needed to manage the account. Services provided for the above fees are for investment advice or consultation and quarterly reporting of asset holdings, valuations and performance reviews. Brokerage commissions, custodial charges and asset specific fees such as those charged by mutual funds or money market funds for fund management and/or administration are not included in the above fees.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by our portfolio manager in the management of the client's portfolio, the market value of the client's account and corresponding fee payable by the client to Bradley & Company may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Firm. Accordingly, the decision as to whether to employ margin is left to the sole discretion of client.

As stated above in Item 4, Bradley & Company and its clients may terminate their respective investment management agreement upon a full quarter's notice to the other of the intent to terminate the advisory relationship. Bradley & Company will be entitled all fees billed in advance for the calendar quarter; fees are not refundable upon termination. Bradley & Company may assess and collect additional fees for all advisory services to be rendered in a following calendar quarter if termination will not occur at the end of a calendar quarter.

#### **HOURLY AND FIXED FEES FOR FINANCIAL PLANNING AND OTHER ADVISORY SERVICES**

For its financial planning and other financial advisory services, Bradley & Company charges a fee of between \$100 and \$1,200 per hour or provides services on the basis of a fixed fee ranging from \$1,500 to \$50,000, depending upon the complexity of a client's requirements or objectives and the extent to which outside professionals are consulted for estate planning, accounting and other professional services. Ongoing fees are payable as invoiced and are deducted directly from client accounts. The client is provided with a statement of charges at the time of the deduction from their account through the Morningstar Office® Client Web Portal.

**GENERAL FEE DISCLOSURES**

Neither Bradley & Company, nor its employees accept compensation for the sale of securities or other investment products. We do not accept asset-based sales charges or services fees from the sale of mutual funds.

We believe our investment management fees are competitive with the fees charged by other investment advisors in the United States for comparable services. However, comparable services may be available from other sources for lower fees than those charged by Bradley & Company.

The Firm does not provide clients advice as to the tax deductibility of its advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

**CUSTODIAN AND BROKERAGE FEES**

Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor's investment management fee.

**FUND DISCLOSURES**

Mutual funds, closed-end funds, exchange traded funds and alternative investment funds (hedge funds) are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by Bradley & Company, clients indirectly pay for the expenses, management and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by Bradley & Company. As required by law, a prospectus represents the fund's complete disclosure of its management and fee structure. In addition, a fund's prospectus can be obtained directly from the fund.

**BOND DISCLOSURE**

Clients whose assets are invested in bonds purchased directly from an underwriter may pay a sales credit or sales concession to the underwriter on the trade (in lieu of a sales commission) ranging from 0% - 2% of the par value of the bond.

## **Item 6 - PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT**

Bradley & Company does not charge an additional performance fee based upon a percentage of the capital gains realized in client accounts. Bradley & Company does not manage any client accounts where a performance fee is charged.

## **Item 7 - TYPES OF CLIENTS**

Our clients include small businesses, individuals, including high net worth individuals.

## **Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS**

### **METHODS OF ANALYSIS**

Discretionary portfolios are rebalanced based on the discretion of Michael Bradley, factoring in appropriate asset allocation constraints, security weightings and market conditions. Portfolios are automatically screened by portfolio management software and reviewed quarterly by Mr. Bradley. Bradley & Company retains the discretion to delay rebalancing for reasons of expense, tax efficiency or due to market conditions.

### **INVESTMENT STRATEGY**

Bradley & Company follows a traditional, leading companies investment strategy. Our methodology is to analyze a client's projected cash flows, sources of personal financial risk, and tax situation to develop customized strategies that are implemented by our team and adjusted over time. Our selection of investment is based on long-term expected returns, tax efficiency and expense. Investment recommendations are driven by an understanding of a client's personal situation and goals, rather than short-term market predictions.

For all client accounts over which Bradley & Company has been granted discretionary authority, it is authorized to enter into any type of investment transaction that it deems appropriate for the account, given the financial circumstances, investment objectives, risk tolerance and investment restrictions, if any, set by the individual client. For client accounts over which the client has retained discretionary authority, the Firm is authorized to enter into any type of investment transaction upon prior client authorization.

The following security classes are used in the management of client accounts, although other types of securities are permitted:

- Equity Securities
  - Exchange-listed securities
  - Securities traded over the counter
  - Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Interests in partnerships investing in real estate and oil and gas interests
- Municipal securities
- Mutual fund shares
- Options contracts on securities and commodities
- United States government securities
- Fixed Annuities

In addition to these types of investments the Firm also provides investment advice regarding alternative investments to qualified clients for whom such investments are deemed suitable.



These alternative investments may include, but are not limited to, venture capital limited partnerships, private equity, managed future funds, hedge funds and third-party funds of funds.

### **INITIAL PUBLIC OFFERINGS ("IPOs")**

While not a substantial part of its investment style, Bradley & Company may from time to time invest in initial public offerings ("IPO") on behalf of client accounts for which such investments are suitable. Some client accounts do not participate in IPOs at all or do not participate in certain volatile IPOs, either due to client instructions, risk tolerance, financial condition or investment objectives. When client accounts are determined to be eligible to participate in a purchase of an IPO, and there is an insufficient amount of shares of the IPO for all accounts eligible to participate in the trade, Bradley & Company uses a random number generator to select participating accounts so that all eligible accounts are selected from fairly.

### **INVESTMENT RISKS**

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Here are some of the general risks associated with parts of our investment strategy:

**Short-term purchases** – on occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

**Margin Trading** – Bradley & Company does not advocate leverage as a part of its investment strategy. In rare cases, and generally only for short term financing considerations, clients may elect to assume a margin balance on their investment account. The custodian may require a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral will be insufficient to cover a margin call by the custodian. Consequently, all margin decisions are left to the client.

**Option Trading** – Certain Bradley & Company clients engage in option trading. Option securities are complex derivatives of equity securities that incorporate certain leverage characteristics and as such carry an increased risk of investment loss.

**IPOs** – Are generally investments in companies with limited operational histories and non-existent or weak earnings and are highly subject to market sentiment. Shares purchased through an IPO can often trade down immediately from their offer price or can be subject to wild fluctuations in performance at certain time periods after their entry to the public markets and, as such, carry increased risks of investment loss.

**Private Equities** – Bradley & Company may purchase or recommend the inclusion of shares in non-publicly traded equities in the accounts of accredited clients. These companies will generally have little available information on their financial status, capital structure or revenues, resulting in increased risk of loss, including total loss. In addition, these securities may be highly illiquid or may experience losses of liquidity – resulting in an inability to sell said equities or sales prices that are substantially below the purchase or market price. Bradley & Company, unless otherwise expressly agreed, will value these positions at their purchase price for any accounting purposes, which may not reflect losses that would be realized if the position was sold. Of particular risk is that Bradley & Company will base its account values for billing purposes on these

positions' purchase price (unless another methodology is agreed upon with the client), leading to a potential motivation to overvalue said equities. Finally, Bradley & Company may have clients who are executives of said firms or have other financial relationships that may create conflicts of interest. Where such conflicts exist, Bradley & Company will disclose these conflicts in written format to the clients who hold such securities or whom we intend to purchase such securities under our discretion prior to any transactions.

**Alternative Investments** – Depending upon the type of alternative investment vehicle, clients may not be able to sell their interests readily or in a timely manner. Restrictions on sale or redemption of interests therefore may lead to inconvenience in connection with personal liquidity needs or losses due to the inability to sell interests in volatile financial market conditions.

#### **Item 9 - DISCIPLINARY INFORMATION**

Bradley & Company has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

#### **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Bradley & Company is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. We recommend that our clients custody their assets with Fidelity Investments ("Fidelity"), SEC registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Although we recommend that our clients custody their investment accounts at Fidelity, we have no affiliation with Fidelity, do not supervise its brokerage activities and are not subject to its supervision.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its principals or employees are affiliated with any law or accountancy firm.

#### **Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Bradley & Company, its employees and their immediate families (sometimes collectively "employees") are permitted to buy and sell securities for their personal investment accounts. The Firm has adopted employee personal trading policies and procedures and a code of ethics to govern proprietary (on behalf of the Firm itself) and employee trading practices. Bradley & Company's members, officers and employees are required to report all personal securities transactions on a regular basis. Employees are required to sign a certification agreeing to abide by the Firm's personal trading practices and code of ethics.

Bradley & Company may trade in the same securities traded for clients. However, it is our policy not to give preference to orders for personnel associated with the Firm regarding such trading. The Firm and/or its employees may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts. From time to time, trading by Bradley & Company and/or its employees in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If a security is purchased or sold for client accounts and the Firm and/or its employees on the same day, either the Firm and/or its employees will pay or receive the same price as the client account, or the client account will receive the more favorable price. If purchased or sold

on different days, it is possible that the Firm and/or employees' personal transactions might be executed at more favorable prices that were obtained or clients.

Bradley & Company and/or its employees may buy or sell different investments, based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that Bradley & Company and/or its employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Bradley & Company and/or its employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. This can occur when securities that are not suitable for clients at the time of purchase (e.g., speculative stocks, micro-cap stocks, penny stocks), are purchased by the Firm and/or its employees. If these securities subsequently appreciate, these personal transactions could be viewed as creating a conflict of interest. Conversely, Bradley & Company and/or its employees may liquidate a security position that is held both for their own account and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, or industry/sector weightings) deem a stock sale necessary for individual financial planning reasons. If the security subsequently falls in price, these personal transactions could be viewed as a conflict of interest.

A copy of Bradley & Company's employee trading policies and code of ethics is made available to clients and prospective clients upon request.

## **Item 12 - BROKERAGE PRACTICES**

### **RECOMMENDATION OF FIDELITY AS CUSTODIAN AND EXECUTING BROKER**

Bradley & Company recommends that clients establish brokerage accounts with Fidelity, a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Fidelity is independently owned and operated and not affiliated with Bradley & Company and do not supervise or otherwise monitor Bradley & Company's investment management services to its clients. Fidelity provides us with access to its institutional trading and custody services, which typically are not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a stated percentage of the adviser's clients' assets are maintained in accounts at Fidelity but are not otherwise contingent upon the Firm committing any specific amount of business (in the form of either assets in custody or trading). Fidelity's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Bradley & Company's client accounts maintained in their custody, Fidelity generally does not charge separately for custody but instead is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them or that settle into their customer accounts. In most cases, trade executions for client accounts custodied at Fidelity will be made by them respectively to avoid "trade away" charges imposed for trades executed at other broker-dealers. In cases where a desired security is not available for purchase or sale through Fidelity, and in light of the Firm's best execution evaluation certain executions, may be made at a different broker-dealer.

Fidelity makes available other products and services to Bradley & Company that benefit Bradley & Company but may not benefit its clients. Some of these other products and

services assist Bradley & Company in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Bradley & Company's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Bradley & Company's accounts, including accounts not maintained at Fidelity. Fidelity also makes available to Bradley & Company other services intended to help Bradley & Company manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Fidelity may make available, arrange and/or pay for these types of services to Bradley & Company by independent third parties. Fidelity may discount or waive fees it otherwise would charge for some of these services or pay all or a part of the fees of a third-party providing these services to Bradley & Company.

Bradley & Company's recommendation that clients maintain their assets in accounts at Fidelity may be based in part on the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which may create a potential conflict of interest.

#### **DIRECTED BROKERAGE**

In a limited number of cases, clients may direct Bradley & Company to place all orders for securities transactions with a specific broker-dealer (directed brokerage). In these cases, Bradley & Company is not obligated to, and generally will not solicit competitive bids for each transaction or seek the lowest commission rates for the client. As such, the client may pay higher commission costs, higher security prices and transaction costs than it otherwise would have had it not directed Bradley & Company to trade through a specific broker. In addition, the client may be unable to obtain the most favorable price on transactions executed by Bradley & Company as a result of Bradley & Company's inability to aggregate/bunch the trades from this account with other client trades.

Furthermore, the client may not be able to participate in the allocation of a security of limited availability (such as an IPO) for various reasons, including if those new issue shares are provided by another broker or dealer. As a result of the special instruction, Bradley & Company may not execute client securities transactions with brokers that have been directed by clients until non-directed brokerage orders are completed. Accordingly, clients directing brokerage may not generate returns equal to clients that do not direct brokerage.

Due to these circumstances, there may be a disparity in commission rates charged to a client who directs Bradley & Company to use a particular broker and performance and other differences from other similarly managed accounts. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

#### **BEST EXECUTION POLICY**

At the founding of the Firm, Bradley & Company evaluated several qualified custodial/executing broker-dealers for client accounts. Based upon a number of factors, including custodial fees, execution quality, transaction costs and advisor interface, the Firm selected Fidelity as our recommended client custodian.

Most client securities transactions will be executed through Fidelity to avoid “trade away” fees that would result from executing trades at other broker-dealers. Under certain conditions, for example if a desired security is not available through Fidelity, securities transactions may be executed through another broker-dealer.

The Firm is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction but rather to use our reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

Bradley & Company has adopted standards with respect to executing discretionary trades on behalf of clients which are made available to clients upon request. Based upon these standards, Bradley & Company may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees or may select broker-dealers whose fees may be greater than those charged for similar investments if Bradley & Company determines that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees.

It may be possible for Bradley & Company to negotiate preferential rates for our clients with the custodian on commissions or other transactions costs. As the firm grows, it is our intention to explore our options with regard to negotiations with Fidelity and other potential custodians.

#### **SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS**

Bradley & Company's policy is to limit its use of soft dollar arrangements to those falling within the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended. Only *bona fide* research and brokerage products and services that proved assistance to Bradley & Company in the performance of its investment decision-making responsibilities are permitted.

Although not currently a party to any such arrangements, Bradley & Company may in the future enter into arrangements whereby an executing broker-dealer, including Fidelity would provide or purchase on its behalf research services, economic and market information, portfolio strategy advice, research conferences, periodical subscription fees, performance measurement data, online pricing, news wire charges, quotation services, computer hardware and software and other similar brokerage or research products or services (known as “soft dollar” products or services). These brokerage and research products or services would be provided by various sources and used by Bradley & Company for the benefit of all its clients, including clients whose securities transactions are not executed by the broker-dealer that provides the services and research. In exchange for these services Bradley & Company might direct client trades to the providers of such services and research.

Bradley & Company might pay a brokerage commission in excess of that which another broker-dealer might charge for effecting the same transaction in recognition of the value of the brokerage and research products and services received. In such cases, however, Bradley & Company would determine in good faith whether such commission is reasonable in relation to the value of the brokerage or research products and services provided, viewed in terms of either the specific transaction or Bradley & Company's overall responsibilities to the accounts over which it exercises investment authority.

#### **AGGREGATION OF TRADES AND POTENTIAL CONFLICTS**

Bradley & Company generally does not aggregate securities transactions for multiple client accounts. However, circumstances may arise where the portfolio manager determines that

aggregation is consistent with the Firm's duty to seek best execution and is consistent with the investment objectives and guidelines for the client accounts participating in the trade.

On the very rare occasion when orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client on a *pro rata* basis, based upon the ratio of the amount of particular issue of securities allocated to the account to the overall amount of that issue purchased. Trades are not allocated in any manner that favors one group of similarly situated clients over another. Client transactions may be aggregated according to custodial relationship in consideration of execution charges that may be imposed if trades are directed to a non-custodial broker-dealer for execution. Aggregated trades placed with different brokers may be priced differently.

#### **ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS**

Because Advisor manages more than one client account, there may be a conflict of interest over the allocation of investment opportunities among all accounts managed by Advisor. Advisor will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients. Advisor may give advice and take action with respect to any of its clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is Advisor's policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients.

Advisor is not obligated to acquire for any client account any security that Advisor or its owners, officers, members, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of Advisor based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

#### **Item 13 - REVIEW OF ACCOUNTS**

Client portfolios holdings are monitored on an ongoing basis by Michael D. Bradley, Managing Member, Portfolio Manager and Chief Compliance Officer. In addition, client portfolios are reviewed at least quarterly for consistency with the Firm's investment strategy and client investment guidelines. Mr. Bradley monitors client account holdings to track asset class allocations, cash allocations and other factors. Periodic account rebalancing and allocation adjustments may be recommended due to client investment guideline changes, client deposits and withdrawals and significant life changes for the client (births, deaths, marriage, divorce, etc.) Additionally, client holdings are reviewed in response to changes in the financial markets and/or changes in the Firm's investment strategy.

For managed investment portfolios, clients receive quarterly reports from Bradley & Company summarizing portfolio holdings and valuations, asset allocations and contributions to and withdrawals from the account.

Financial planning client plans are reviewed, and plan updates are provided on an "as requested" basis.

#### **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

Bradley & Company is currently not a party to any relationship whereby it pays any third parties referral fees for referring clients to the Firm. We do not direct brokerage transactions to

any broker-dealer in exchange for receiving client referrals. Bradley & Company employees are not paid "sales awards" or other prizes for referring clients to the Firm.

We may however, refer our clients to third party investment advisors, legal firms, accounting firms, mortgage brokers, insurance agencies and other professional consultants. When we determine that clients may need the services provided by these outside entities, clients may be referred to a firm that provides the required professional services. Clients are not obligated to use the services of any of these unaffiliated firms. Bradley & Company may be paid a referral fee for such referrals by third party advisors which could create a conflict of interest which if applicable, would be fully disclosed at the time of the referral. Such referral fees typically are based upon a percentage of the fees paid by the client to the professional to whom the client is referred.

#### **Item 15 - CUSTODY**

Bradley & Company does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a "qualified custodian," namely a broker dealer, bank or trust company. Bradley & Company is unable to take even temporary possession of client assets for the purpose of transferring them to the client's account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary. The Firm is given the authority to receive payment of its management fees directly from the account, but it is not authorized to make any other withdrawals or to transfer money out of the account to a third party.

Bradley & Company recommends that clients create their investment accounts at Fidelity because it is a broker-dealer that is regulated by the Financial Industry Regulatory Authority ("FINRA") and it participates in the Securities Investors Protection Corporation ("SIPC") insurance fund. (See also, Item 9 Brokerage Practices, above.)

Fidelity sends account statements directly to the client (or to an independent third-party representative designated by the client), no less than quarterly, showing all funds and securities held, their current value and all transactions executed in the client's account, including the payment to Bradley & Company of its investment management fees.

#### **Item 16 - INVESTMENT DISCRETION**

Bradley & Company is generally granted investment discretion over investment management client assets including the authority to select the investments to be made, the quantity of securities to be bought and sold and the executing broker-dealer to be used in effecting securities transactions. This discretion may be limited by client investment guidelines and any investment restrictions established by the client. In some cases, clients may place assets with Bradley & Company on a non-discretionary basis whereby the client retains the authority to approve each contemplated securities transaction. In either case, Bradley & Company does not have the authority to determine the execution costs or brokerage commissions that are assessed by the broker-dealer that executes client securities transactions.

The Firm is authorized to determine the executing broker to be used, with the objective of attaining the best execution for each transaction. In addition to using brokers as "agents" and paying commissions, we may effect transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters or dealers.

**Item 17 - VOTING CLIENT SECURITIES**

It is Bradley & Company policy not to vote proxy solicitations received on behalf of clients from the issuers of securities held in client's account. All such solicitations can be forwarded to client for voting upon receipt of a client request. Any client wishing to review our proxy voting policies in full may request a copy.

**Item 18 - FINANCIAL INFORMATION**

Bradley & Company does not require or solicit prepayment of more than \$1,200 per client of its management fees from clients six or more months in advance. There are no adverse conditions related to the Firm's finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.