

STONEBRIDGE ADVISORS LLC

Form CRS Customer Relationship Summary, March 19, 2021

[Stonebridge Advisors LLC](#) (Stonebridge) (www.stonebridgeft.com) is registered with the [Securities and Exchange Commission](#) (SEC) (www.sec.gov) as an investment adviser. Investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at the Investor.gov website (www.investor.gov/CRS), which also provides educational materials about broker/dealers, investment advisers, and investing.

We are affiliated with the First Trust family of companies, through 51% ownership by First Trust Capital Partners, LLC. Our firm management is independent of First Trust, subject to oversight by a board of directors composed of First Trust and Stonebridge personnel.

What investment services and advice can you provide me?

We offer discretionary portfolio management services to retail investors through Separately Managed Accounts (SMAs) which are managed through unaffiliated wrap program providers. For retail clients, Stonebridge specializes in selecting and managing SMA portfolios of \$25 par preferred, hybrid and other fixed income securities. We manage to our own proprietary models only. “Discretionary” management means that we alone select and trade securities for your portfolio. We accept reasonable restrictions on types of securities (e.g. no tobacco) that we may purchase for your portfolio.

Stonebridge generally requires a minimum of \$250,000 of assets to open an SMA account. Certain wrap-platform providers allow clients to open Stonebridge-managed accounts with different minima.

Your primary point of contact is your Financial Advisor (FA), and your secondary point of contact is your wrap fee platform sponsor. Your FA does not work for Stonebridge, and is not affiliated with us. FAs generally work for wrap fee platform providers, or are independent. Your FA monitors your overall investment portfolio and makes asset class investment allocation recommendations to you, including the recommendation to invest in Stonebridge. However, assets invested with Stonebridge are entirely under Stonebridge’s discretionary management, and managed to proprietary models determined solely by Stonebridge without input from FAs.

We are also the investment adviser, subadvisor or model portfolio provider to a variety of other products including:

- (i) Seven First Trust (FT)-sponsored preferred security-focused investment vehicles,
- (ii) Unified Management Accounts (UMAs) offered by broker-dealer sponsored wrap-fee programs; and
- (iii) Cash Management accounts for institutional investors.

For additional information, please see Items 4 and 7 of Stonebridge’s [Form ADV, Part 2A](#) brochure (www.adviserinfo.sec.gov/firm/summary/134017) as well as your investment advisory contract with your FA.

Conversation Starters:

- **Given my financial situation, should I choose an investment advisory service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

What fees will I pay?

Your wrap-fee platform provider will deduct their wrap fee from your account based on your contract with them. Information regarding platform fees and policies are available from your FA.

Stonebridge is paid a flat fee of up to 40 bps, annualized, quarterly in arrears, for assets under management in SMA accounts for which we provide services. The fee is paid either by the wrap fee platform or the retail client, depending on the contractual arrangement.

The more assets there are in your account, the more we will earn in management fees, therefore we have an incentive to encourage your FA to have you increase the allocation of your assets to Stonebridge-managed products.

You will pay fees and costs whether or not you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional information, please see Items 4 and 7 of Stonebridge's [Form ADV, Part 2A](#) brochure (www.adviserinfo.sec.gov/firm/summary/134017) as well as your investment advisory contract with your FA.

Conversation Starter: • **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide you. Here are some examples to help you understand what this means.

We make our money from a single flat fee based on the assets under management in each account we manage. The fees paid to us by some products are slightly higher than those we receive from others, which may give us an incentive to allocate trades to higher paying products. We have trading allocation policies in place to ensure that every account is treated fairly.

We may invest a retail investor's SMA portfolio in exchange-traded funds (ETFs), including Stonebridge-managed First Trust Preferred Securities and Income ETF (FPE), and closed-end funds (CEFs), that are either primarily invested in preferred securities or in cash equivalents (such as ETFs that invest in short-term treasuries). Under normal circumstances, no more than 5% of the portfolio will be invested in any single such vehicle, and no more than 8% of the portfolio in all such vehicles combined. If this is done, investors need to be aware that the underlying ETF (including FPE) or CEF will charge additional investment management fees that are distinct from, and in addition to the investment management fees charged for Stonebridge's SMA services.

For additional information, please see Items 11, 12 and 14 of our [Form ADV, Part 2A](#) (www.adviserinfo.sec.gov/firm/summary/134017).

Conversation Starter: • **How might your conflicts of interest affect me, and how will you address them?**

How do your financial professionals make money?

Stonebridge employees, whether portfolio managers, operations, research or legal/compliance, are all compensated in the same way. Each receives a base salary, mid-year and year-end bonuses, and other non-cash compensation in the form of an employee benefits package. Mid-year and year-end performance bonuses are based on a number of factors including, but not limited to, profitability of the firm, employee value to firm success, investment performance and servicing of clients, employee ability to work as a part of the team, employee commitment, work ethic and effectiveness in carrying out assigned duties and employee dedication above and beyond expectations. In addition to selling investment advice to retail clients, we also sell investment advice to wrap-fee programs, investment companies, pensions and profit-sharing plans, charitable organizations, insurance companies, corporations and other business entities, endowments and others. We do not charge any sales commissions. Stonebridge emphasizes the team, and does not incentivize individual competition within the firm. Rather, contribution to the firm's operation and performance as a whole is emphasized.

Do your financial professionals have legal or disciplinary history?

Yes. Stonebridge has one financial professional who has a legal or disciplinary history. Visit the Investor.gov website (www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

Conversation Starter: • **As a financial professional, do you have any disciplinary history? For what type of conduct?**

Additional Information

For additional information about our services and to obtain a copy of our Form CRS, please contact your FA.

Alternatively, you may call Stonebridge at (203) 762-0004. For biographical information about Stonebridge's financial professionals, please see our [website](http://www.stonebridgeft.com) (www.stonebridgeft.com). You may find additional information about our firm on the SEC's [website](http://www.adviserinfo.sec.gov) (www.adviserinfo.sec.gov).

Conversation Starters:

- **Who is my primary contact person?**
- **Is he or she a representative of an investment-adviser?**
- **Who can I talk to if I have concerns about how this person is treating me?**