

Item 1. Cover Page

**FORM ADV PART 2(A)
DISCLOSURE BROCHURE**

September 2, 2021

Adviser Investments, LLC

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This brochure provides information about the qualifications and business practices of Adviser Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (617) 321-2200. Our website is www.adviserinvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Adviser Investments, LLC is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. Additional information about Adviser Investments, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There have been no Material Changes since Adviser Investments, LLC filed its last annual update on March 30, 2021.

You can request a copy of our current Brochure at any time, which we will provide to you free of charge. If you would like a copy of our current Brochure, please contact our Compliance Department at (617) 321-2200.

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Item 4. Advisory Business

A. The Firm and Principal Owners

Adviser Investments, LLC (“Adviser Investments”, the “Firm”, “us” and “we”) provides wealth management services primarily to individuals and high net worth individuals. We have been in business since 1994. Certain investment vehicles advised by Summit Partners, L.P., an investment adviser registered with the U.S. Securities & Exchange Commission (“SEC”) together are principal owners of the Firm. The Firm’s founders and certain employees each individually continue to hold a minority ownership interest and have representation on the Firm’s board of managers.

B. Types of Services Offered

We offer wealth management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, businesses, unaffiliated investment advisers, and third-party asset management platforms (“TAMPS”). Services can include investment management, financial planning, tax return preparation and filing, and investment consulting services.

We offer the following investment programs to clients. Please see Item 8 below for additional information on the investment programs and material risks.

Managed Funds Program

We provide discretionary investment management services using an active asset allocation approach. For our core investment strategies, our primary investment objective is to build diversified portfolios of mutual funds and exchange-traded funds (“ETFs”) that will provide a balanced approach to investing in the stock, bond and alternative markets, when applicable, given the individual investor’s long-term and short-term risk tolerance and return objectives. Our tactical strategies use computer models and algorithms developed by our portfolio strategists to guide trading in these strategies. These models tend to trade more frequently than our core investment strategies. Both our core and tactical strategies primarily use mutual funds and ETFs.

We require a minimum client size of three-hundred-fifty thousand dollars (\$350,000). We reserve the right to accept smaller amounts with respect to client size on a case-by-case basis.

Managed Equities Program

We provide discretionary investment management services using primarily dividend generating stocks to generate income and capital appreciation for the investor. This is a concentrated portfolio. The strategy is moderately aggressive.

We require a minimum client size of three-hundred-fifty thousand dollars (\$350,000), and minimum account size of one-hundred thousand dollars (\$100,000). We reserve the right to accept smaller amounts with respect to both client size and account size on a case-by-case basis.

Managed Fixed Income Program

The Managed Fixed Income Program provides discretionary investment management services using primarily individual investment grade corporate and municipal bonds. The Fixed Income portfolio management team builds individual bond portfolios for clients tailored to meet the clients' specific needs.

We require a minimum account size of five-hundred thousand dollars (\$500,000) for new accounts. We reserve the right to accept smaller accounts on a case-by-case basis.

Managed Annuity Program

We provide discretionary portfolio management services to clients who own one or more variable annuity contracts. We select and manage the investment funds within the variable annuity contract using the same investment approach employed for the Managed Fund Program. We do not sell variable annuity products.

We require a minimum account size of one-hundred thousand dollars (\$100,000). We reserve the right to accept smaller accounts on a case-by-case basis.

Retirement Plan Advisory Services

We provide investment advisory services to employer-sponsored retirement plans. Depending on the type of retirement plan and the services agreed to, our services can include discretionary investment management services for plan assets, selecting investment options for plan participants, development and maintenance of model portfolios for plan participants, and general investment education to participants.

We do not require a minimum plan size for these services.

Adviser Investments Alliance Program

We also offer the Adviser Investments Alliance Program ("Alliance Program"). Through this program, we provide sub-advisory services to investment professionals who wish to remain the primary contact person for their clients. We provide portfolio construction and management on a discretionary basis, execute the trades and maintain client files. Our strategies are the same as our other programs, as more fully described in Item 8 below.

We require a minimum account size of one-hundred thousand dollars (\$100,000). We reserve the right to accept smaller accounts on a case-by-case basis.

Financial Planning Services

For our wealth management clients, we do not charge a separate or additional fee for standard financial planning services. Additionally, for our wealth management clients, we assist in the implementation of their financial plan primarily through the accounts we manage on a discretionary basis and by providing guidance and direction with respect to budgeting, saving and the investment of assets not under our management. With regard to monitoring financial plans developed and presented to our clients, the Firm will monitor, review and update financial plans upon client request or as mutually determined by the client and representatives of the Firm during periodic communications.

In instances where financial planning is done on a stand-alone fee basis for an individual not receiving portfolio management services, or in cases for existing wealth management

clients in which the scope of the particular plan is extraordinary in nature, the fee is negotiated between the Firm and the client, based on the scope of the planning desired. Implementation, monitoring and updating of the financial plan provided is borne by the client, as our relationship and our contractual obligations to the financial planning client end upon presentation of the financial plan.

Family Office Services

We offer family office services to clients on a separate basis. The specific services provided to each client often differ depending on our agreement with the client. The services range from consultation and assistance in tax and or estate planning and strategy, arranging for tax filings made by the client's tax preparer, insurance planning, and assistance regarding major financial decisions, development of cash flow forecasts, bill pay, concierge services, etc. Since these services vary amongst clients, fee arrangements are determined separately, based on the scope and complexity of the specific services agreed to.

Please note that Adviser Investments is neither licensed as a law firm nor as an insurance producer in any state/jurisdiction. Therefore, the execution of any legal strategy or drafting of legally operative documents, or the purchase of any insurance products, cannot be conducted by Adviser Investments. Regarding tax advice and filing of tax returns, such services can be provided—if desired by the client—through our affiliated company AI Tax Solutions, LLC d/b/a Adviser Investments Tax Solutions (described below).

Tax Return Filing Services

We offer tax return preparation and filing services through our wholly owned affiliate, Adviser Investments Tax Solutions. Clients receiving tax return preparation and filing services pay a separate fee—unless otherwise negotiated—for tax return preparation and filing services. Adviser Investments Tax Solutions reserves the right to not prepare a particular client's tax returns for any reason. Tax return preparation and filing fees are determined on a case-by-case basis depending on the complexity and estimated hours needed for completion. Therefore, tax return filing services range from separately agreed-to hourly or fixed fees or included with fees paid for investment advisory services.

Adviser Capital Institutional Advisory Services

Through our Adviser Capital division (formerly named Braver Capital Management¹), we provide investment advisory, sub-advisory and model portfolio services (Signal Provider) to institutional clients. Types of institutional clients include unaffiliated registered investment advisers, broker-dealers and TAMPs. Adviser Capital uses both fundamental analysis and proprietary, quantitative investment processes. The tactical asset allocation computer modeling processes guide investment strategies and attempt to manage portfolio risk.

Adviser Capital serves institutional clients on both a discretionary and non-discretionary investment management basis. When Adviser Capital serves as sub-adviser on a separately managed account of an unaffiliated registered investment adviser, the client delegates discretionary trading authority to Adviser Capital. The primary investment adviser is

¹ Braver Capital Management was renamed Adviser Capital on January 26, 2021.

responsible for ensuring that the strategy selected for the separately managed account is suitable for the client and is responsible for managing and overseeing the client relationship.

When providing model portfolio services to an unaffiliated registered investment adviser or TAMP, Adviser Capital provides its investment strategies via a non-discretionary, model-based solution. These services are generally provided under the terms of a data provider agreement or signal provider agreement. As the model portfolio provider, Adviser Capital designs, monitors and updates the portfolios. The registered investment advisers or TAMPs then implement the model portfolio for their respective clients and adjust the model portfolio as recommended by Adviser Capital. For these arrangements, we do not have any actual trading authority or discretion over the clients' assets, and thus do not guarantee that the portfolio will be traded in accordance with the model.

Additional Services

Our Recommended Custodians—described in more detail in Item 12 (Brokerage Practices)—offer one or more types of securities-backed lending programs. Margin lending is the most commonly known form and is offered by all of our Recommended Custodians. In addition to margin lending, Fidelity and Charles Schwab also offer a securities-backed lending arrangement through Goldman Sachs Bank USA ("Goldman Sachs"). Under this program, Goldman Sachs acts as the lender and secures account assets ("pledged assets") in the account holder's account as collateral. Goldman Sachs is independent of both Adviser Investments and our Recommended Custodians. This pledged-assets lending arrangement differs from margin in several ways, and, in particular, account holders cannot borrow through this program in order to make further investments in securities. Not all account types are eligible to participate in this pledged-assets program and each client must individually apply. Thus, there is no guarantee that Goldman Sachs will choose to lend to any particular individual. Charles Schwab and TD Ameritrade each also offer a pledged-assets lending program through each firm's respective affiliated bank.

Adviser Investments receives no compensation should clients choose to use margin (unless the client chooses to invest money borrowed on margin into an investment account managed by Adviser Investments) or any of the other pledged-assets lending programs described herein; nor do we act as a lender or agent of any lender.

Margin and other securities-backed lending programs carry substantial risk to account assets since the lenders have the right to liquidate assets and place other disbursement and investment restrictions on the accounts used as loan collateral.

We will explain the general details of the particular programs and facilitate use of these lending programs, should a client express interest. However, use of these programs is the account holder's decision.

We strongly encourage any client interested in using their account assets as collateral for a loan understand all the terms and conditions agreed to with the lender.

C. Level of Services Provided to Clients

We tailor our advisory services to the individual needs of our clients. Our portfolio executives discuss and advise clients on the types of investments and investment strategies

based upon their financial situation, risk profile and financial goals. This process requires portfolio executives to collect information about clients through personal interviews and completion of client profile forms. We then place most clients in an established portfolio strategy. However, we customize the strategies based upon the particular circumstances of the client where appropriate or requested by the client. Clients are permitted to impose reasonable investment restrictions on investing in certain securities or types of securities.

With respect to 401(k) accounts that a client assigns to our management, our portfolio management capabilities are generally limited to the plan's investment options, which in turn limits the investment programs that we can implement.

D. Portfolio Management Services to Wrap-Fee Programs

We do not provide portfolio management services to wrap-fee programs.

E. Assets Under Management & Assets Under Advisement

As of December 31, 2020, Adviser Investments had regulatory assets under management of approximately \$6,541,316,000 of client assets managed on a discretionary basis. As of December 31, 2020, Adviser Investments did not manage any client assets on a non-discretionary basis.

Adviser Investments uses the same method to calculate regulatory assets under management as required under Item 5(F) of Form ADV, Part 1.

In addition to the assets under management stated above, as of December 31, 2020, the Firm had \$353,310,900 in additional supervised assets that do not meet Item 5(F) of Form ADV Part 1's criteria for inclusion in the Firm's regulatory assets under management. \$48,286,200 is managed by Adviser Capital—a separate division of the Firm—on a non-discretionary basis that is not included in the Firm's regulatory assets under management. \$305,024,700 is advised upon in employer-sponsored retirement plan assets. The Firm's advisement responsibilities for these particular assets are such that they are not included in the Firm's regulatory assets under management.

Item 5. Fees and Compensation

A. Investment Advisory Fees

Please find below a discussion of our compensation for providing advisory services under each of our investment programs. The fee and method of calculation is outlined in the applicable investment advisory agreement. Assets within the same investment programs are aggregated for breakpoint purposes.

Managed Funds Program, Managed Equities Program, Alliance Program and Managed Annuity Program

We charge a management fee that is due and payable at the end of each calendar quarter in arrears. The management fee is based upon the average-daily market value of the account for the calendar quarter.

Client assets are held in custody at the custodian selected by the client.

Please find our fee schedule below.

Account Size	Annual Fee	Quarterly Fee
\$350,000 - \$500,000	1.50%	0.3750%
\$500,001 - \$1,000,000	1.25%	0.3125%
\$1,000,001 - \$3,000,000	1.00%	0.2500%
\$3,000,001 - \$5,000,000	0.90%	0.2250%
\$5,000,001 - \$7,500,000	0.80%	0.2000%
\$7,500,001 - \$10,000,000	0.70%	0.175%
\$10,000,001 - \$15,000,000	0.60%	0.15%
\$15,000,001 - \$20,000,000	0.50%	0.125%
\$20,000,001 and above	0.45%	0.1375%

We reserve the right to negotiate fees on a case-by-case basis. The fees we charge to existing clients vary depending upon the fee schedule in place at the time the client signed the advisory agreement.

Managed Fixed Income Program

For accounts in the Managed Fixed Income Program, we charge a management fee at the end of each calendar quarter in arrears. The management fee is based upon the average-daily market value of the account for the calendar quarter.

Account Size	Annual Fee	Quarterly Fee
\$500,000 - \$2,500,000	0.60%	0.1500%
\$2,500,001 - \$5,000,000	0.50%	0.1250%

\$5,000,001 and above	0.40%	0.1000%
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We reserve the right to negotiate fees on a case-by-case basis. The fees we charge to existing clients vary depending upon the fee schedule in place at the time the client signed the advisory agreement.

Retirement Plan Advisory Services

For Advisory Services to Employer-Sponsored Retirement Plans, fees are negotiated on a case-by-case basis in accordance with the services required by the plan. Such fees are payable quarterly in arrears, and as agreed to with the particular plan client based upon either the market value of the retirement plan's assets at the end of the quarter or the average-daily market value of the retirement plan's assets for the calendar quarter.

Direct Institutional Advisory and Sub-Advisory Fees

The fees for Adviser Capital's Institutional Advisory Services and Sub-Advisory Services are negotiable depending upon the level and scope of the service(s) required, and the amount of assets for which we are responsible for managing or advising. These fees typically range between 0.25% and 1.00%.

Financial Planning and Consulting Services and Family Office Services

Fees for our standalone financial planning services and family office services are each negotiable depending upon the level and scope of the financial planning or family office services required and the particular professional rendering the services.

Tax Return Preparation and Filing Services Offered Through Affiliate Adviser Investments Tax Solutions, LLC

Tax return preparation and filing fees are determined on a case-by-case basis depending on the complexity and estimated hours needed for completion.

B. Payment of Fees

Managed Fund Program, Managed Equities Program, Alliance Program, Managed Fixed Income Program, Managed Annuity Program and Tactical Strategies

We charge fees for Managed Strategies, Alliance Program, Managed Fixed Income, Managed Annuity Programs and Tactical Strategies at the end of each calendar quarter. For these Programs, at the client's option and direction, the custodian will directly deduct the management fee from the client's account and automatically remit it to us. If the client does not select this option, we will bill the client for the management fee.

Retirement Plan Advisory Services

We assess the fees for employer-sponsored retirement plans at the end of each calendar quarter. The custodian deducts the fee directly from the plan participant's account or the plan sponsor may choose to pay us directly.

C. Additional Fees and Expenses

In addition to the advisory fees described above, clients are responsible for paying all additional fees related to managing their accounts. These fees and expenses include, but are not limited to, the following, as applicable:

1. Transaction costs and other related trading costs and expenses;
2. Custodial fees;
3. Mutual fund network fees;
4. Interest;
5. All applicable taxes;
6. Wire transfer and electronic fund fees;
7. Other fees and taxes related to brokerage accounts;
8. IRA and qualified retirement plan fees;
9. Internal management fees and administrative expenses for mutual funds and ETFs, as disclosed in the fund prospectus;
10. All fees and expenses related to variable annuities and sub-accounts;
11. Mutual fund or money market 12b-1 fees;
12. Mutual fund redemption fees, if applicable; and
13. Other fees and expenses required by law.

Our adviser representatives and the firm do not share in these fees. Please refer to Item 12 below for more information on our brokerage practices.

D. Prepayment of Fees

We do not collect fees in advance.

E. Compensation for Sale of Securities or Other Investment Products

Our adviser representatives and the firm do not accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6. Performance-Based Fees and Side-By-Side Management

Performance-based fees are based on a share of the capital gains on, or the capital appreciation of, clients' assets. Neither we nor our supervised persons charge performance-based fees on client accounts.

Item 7. Types of Clients

We offer investment advisory services to individual investors, pension and profit-sharing plans, trusts, estates, charitable organizations and privately held businesses. We require a minimum account size for all the investment programs we offer with the exception of our 401(k) programs. Please refer to the descriptions of the minimum investment levels disclosed under the description for each investment program in Item 4(C) above.

We reserve the right to grant waivers for minimum account size requirements at our discretion on a case-by-case basis.

Adviser Capital's clients include other unaffiliated registered investment advisers, broker-dealers, TAMPS and institutions.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

A. Method of Analysis and Investment Strategy

Managed Funds Program

Core Investment Strategies

Our primary investment objective is to build diversified portfolios of mutual funds and ETFs that will provide a balanced approach to investing in the stock, bond and alternative markets, when applicable, given the individual investor's long-term and short-term risk tolerance and return objectives.

We use fundamental analysis to build our clients' portfolios by assessing the state of the investment markets, the state of the domestic and global economies, and the investment options available to meet investors' goals and objectives. Some of the many factors we assess—though we will not necessarily consider each factor in each particular circumstance—when considering both portfolio investments as well as overall portfolio risks and returns include yield (taxable and tax-free), price-earnings multiples, price-to-book multiples and other measurements of stock and bond market valuation, as well as how long a manager has managed a certain fund, the size of the fund they manage, a manager's personal investment in the fund, portfolio diversification and historical performance when assessing mutual funds and exchange-traded funds. We also measure historical risk using our formulas for measuring risk, as well as traditional calculations.

Our core investment strategies tend to be low turnover strategies—we do not trade frequently and we are constantly considering the tax ramifications of our transactions. That said, however, we do not let taxes dictate our strategies when we feel a change is necessary.

Adviser Investments also offers an Environmental, Social and Governance (ESG) approach to its core investments strategies upon request from clients. These portfolios are primarily comprised of ETFs and mutual funds that carry a label or branding as an ESG or socially responsible investment product; however, not all funds in these portfolios will necessarily be branded as such by the ETF or mutual fund sponsor. We recommend that clients review proposed and existing portfolio recommendations to ensure that each holding is in line with their expectations. As mentioned, in Item 16, below, reasonable restrictions with respect to portfolio holdings are permitted. In Item 8[B], below, risks of ESG investing are discussed.

Tactical Investment Strategies

In addition to the diversified, low-turnover core investment strategies described above, we also offer tactically managed strategies developed by our portfolio strategists. These strategies range from conservative capital preservation to aggressive growth. For these strategies, our portfolio strategists employ top-down technical analysis and fundamental analysis (as described above) to inform trading in client accounts. Technical analysis relies on market data like price and trade volume in order to identify market trends and price direction. Our portfolio strategists use proprietary computer models and algorithms to analyze market data and guide trading.

Like the core investment strategies described above, our tactical strategies primarily use mutual funds and ETFs.

Tactical strategies generally trade more frequently than the core investment strategies described above. In some cases, these strategies trade as frequently as daily. Clients should consider the tax ramifications prior to deciding to use a particular strategy. Information about each tactical strategy is available upon request. See below for further details on the risks associated with frequent trading in a portfolio.

Managed Equities Program

The Managed Equities Program invests in individual equities (both of domestic and foreign companies) listed on the United States' stock exchanges with the goal of generating income, through both dividends and capital appreciation, for the investor. The strategy combines both fundamental and technical methods of analysis. This strategy holds a concentrated portfolio of approximately 25-40 individual equities. Our portfolio strategists use both fundamental analysis and quantitative modeling and analysis in managing the account. Based on these analyses, the strategy will overweight or underweight its holdings in the various market sectors that comprise the S&P 500 index. The strategy is moderately aggressive.

This strategy trades more frequently than the core investment strategies described above. Clients should consider the tax ramifications prior to deciding to use this strategy. Please see below for further details on the risks associated with frequent trading in a portfolio.

Adviser Investments also offers an Environmental, Social and Governance (ESG) approach to its managed equities strategy upon request from clients. Each equity placed into a client portfolio will not only be selected based on our portfolio management team's outlook with respect to the issuer's ability to generate return, through both dividends and capital appreciation, but also whether the issuer meets our ESG criteria. Equities that do not meet our criteria are excluded from our client accounts unless a particular client requests otherwise. We recommend that clients review proposed and existing portfolio recommendations to ensure that each holding is in line with their expectations. As mentioned, in Item 16, below, reasonable restrictions with respect to portfolio holdings are permitted. In Item 8[B], below, risks of ESG investing are discussed.

Managed Fixed Income Program

The Managed Fixed Income Program primarily invests in individual corporate and municipal bond positions for clients. Bonds purchased for the portfolio must be "investment grade." This means that when we purchase each security, it must carry an "A" category rating or higher from Moody's, Standard & Poor's, or Fitch. We also look at debt service backing, current events/news stories and historical and current pricing trends. We buy new issue bonds as well as bonds in the secondary market (bonds that are already trading in the marketplace). We emphasize diversification among names, issuers and sectors in each account. We also pay careful attention to sectors (e.g., financials, pharmaceuticals, utilities, industrial, consumer, etc.). We employ diversification in order to limit our exposure to any one sector or issuer.

We generally structure the portfolio using a staggered maturity schedule to reduce the impact of interest-rate fluctuations. If interest rates rise, there is an opportunity to invest the proceeds of maturing bonds at higher rates. If rates decline, clients will have effectively locked in higher rates on the current bonds in their portfolios.

This strategy is appropriate for accounts with a more conservative investment objective and lower risk tolerance. Please refer to the Material Risks section (Item 8(B)) below for a discussion of the specific risks of investing in bonds.

Managed Annuity Program

We generally utilize the same methods of analysis and investment strategies described for our Managed Fund Programs to manage the investment options within a client's variable annuity contract. However, the strategy will differ somewhat due to the limited investment options available within an annuity contract.

Retirement Plan Advisory Services

Our advisory services to employer-sponsored retirement plans utilizes the same investment approach described for our Managed Fund Programs. For these services we generally recommend mutual funds, target-date funds and asset allocation portfolios to our retirement plan clients as investment options for their participants.

Risk of Loss Inherent in All Strategies – Investing in securities involves risk of loss that clients should be prepared to bear. We have described below the material risks of each of our strategies.

B. Material Risks Involved For Each Significant Investment Strategy

All of our investment strategies have risk. These risks include, though are not limited to, loss of principal, declining income yield, missing the investor's long-term goal or a combination of these three general investment risks.

More specifically, there are myriad risks that one is exposed to when investing. While the following list is not meant to be comprehensive, it does enumerate many of the risks we are aware of and attempt to manage through our day-to-day operations as portfolio managers.

While in most cases we attempt to create a diversified portfolio of securities irrespective of the risk tolerance of the client, all securities, including mutual funds and ETFs, are subject to market, economic and business risks that cause portfolio value to fluctuate over time—sometimes rapidly. Generally, large-cap mutual funds and ETFs are less volatile than those that invest in small-cap stocks, as smaller companies generally have weaker financial stability, although they have historically had a greater potential for growth. Domestic stocks are generally less volatile than international stocks. International investing poses additional risks, such as foreign currency exposure that rises or falls relative to the U.S. dollar. International markets—depending on the particular country of investment—can be subject to more political risk than domestic markets, more prone to periods of illiquidity in their capital markets, and may not have as stringent accounting and corporate governance rules as U.S. companies. Investment-grade bonds tend to exhibit lower levels of risk, or

volatility, than stocks, but they are still subject to many of the above-mentioned risks, as well as other risks specific to bonds, including interest-rate and credit risk.

The two (2) primary strategies we use for all of our programs are: (i) the Managed Funds Program; and (ii) the Managed Fixed Income Program. We have enumerated some of the most important specific risks associated with both strategies below.

- **Active Management Risk** can be found in many forms. For instance, when we take a tactical position versus a benchmark—meaning we are overweighting or underweighting a sector or subsector of the broader market—we are taking on tactical risk. The actual mutual fund or investment security that we select can introduce a second type of risk. The active management of mutual funds introduces a third form of manager risk since the underlying managers are making their own decisions about how to invest. In the Managed Fixed Income Program, we are also acting as an active manager, selecting specific bonds to buy or avoid, in an effort to minimize the above risks, as well as interest-rate and credit risk.
- **Commodity Risk** is the risk that certain commodities will underperform a particular benchmark. In general, we do not take on specific commodity risks, although the underlying fund managers can take on some commodity risk when they deem it appropriate. At times, we will invest in securities specifically focused on commodities and during such periods of investment we will be sensitive to commodity risk.
- **Concentration Risk** is the risk of having too many eggs in one basket. We actively try to avoid an overconcentration in any one (1) investment; however, our portfolios will often have lesser or greater concentrations in a particular sector or market than that found in a global benchmark. Additionally, some of our strategies within our Managed Funds Program are generally more concentrated than others. Within the Managed Fixed Income Program, our goal is to invest in a minimum of ten (10) different securities for each account. It should be noted that there could be instances when, because of account size for instance, it would be impractical to meet this objective.
- **Credit Risk** is the risk of a company being unable to meet its obligations. In general, this risk is inherent in bond portfolios, although we attempt to mitigate this risk by investing in high-quality securities where credit risk is lower, rather than higher, along the risk spectrum. At times, we may decide to invest in higher credit risk securities if we believe them to be a good relative value.
- **Derivatives Risk.** We do not directly invest in derivatives. However, the funds we invest in do invest in derivatives as part of their underlying strategies. This is a decision made by the underlying fund managers. Within the Managed Fixed Income Program, we do not take on derivative risk. We invest in cash bonds.
- **Equity Market Risk** is the risk that stock markets will generate negative, rather than positive, total returns. Our strategies target a level of risk relative to the broad equity/stock market. Our strategies do not aim for absolute returns. Diversification

does not eliminate equity market risk or guarantee positive returns. The Managed Fixed Income Program does not take on direct equity market risk.

- **Foreign Currency Risk** is the risk that our portfolios will have exposure to non-dollar securities and that a change in the relationship between the U.S. dollar and foreign currencies causes a non-dollar denominated investment, when translated back into U.S. dollars, to have a lower or higher value. Foreign currency risk can add to, or subtract from, overall returns. We often invest in mutual funds with exposure to foreign currencies. Our goal is to maintain broad diversification across the globe to limit exposure to a single non-dollar currency. The Managed Fixed Income Program invests solely in dollar-denominated bonds.
- **Sovereign Risk** is the risk that investments in companies or securities with exposure to non-U.S. countries and political systems are impacted by the performance or action of governments in those countries. We often invest in mutual funds with exposure to non-U.S. companies that operate outside of U.S. borders. Our goal is to maintain broad global diversification to limit exposure to any one (1) single country or political system. The Managed Fixed Income Program invests primarily in the U.S. market.
- **Interest-Rate Risk** is a risk inherent in the bond markets whereby higher interest rates can cause the value of fixed income securities or funds to fall, and vice-versa. That said, higher interest rates can also contribute to higher yields in bond funds, over time. The level of interest-rate risk taken by a portfolio manager is the decision of that manager. We attempt to manage interest-rate risk at the overall portfolio level through our fund selection and weightings. In the Managed Fixed Income Program, when investing in individual bonds, the securities are subject to interest-rate risk. As interest rates rise, investors generally see the value of their bond decline. Likewise, as interest rates fall, investors generally see the value of their bond increase.
- **Inflation Risk** is the risk that rising inflation diminishes the value of your assets and/or investments, a risk faced by consumers and investors alike. We have the ability to attempt to mitigate the impact from inflation by investing in securities that seek to protect current income from rising inflation, though there is no guarantee that such investments will achieve such an outcome.
- **Liquidity Risk** is the risk that an investor will not be able to exchange their portfolio holdings for cash on an as-needed basis. Mutual funds provide daily liquidity, as do bonds and ETFs, since they are actively traded every day that their particular markets are open. An example of a non-liquid investment might be shares in a private company or private investment fund. We do not invest in either.
- **Portfolio Turnover Risk** Certain strategies, particularly the tactical strategies (see below), involve above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client in taxable, non-qualified accounts.

- **“Whipsaw” Risk** occurs when markets recover quickly while the strategy still remains invested in defensive assets such as cash or certain bond funds, thereby not participating in the market’s recovery. Many of our tactical strategies take positions in cash or similar lower volatility securities like short-term and intermediate-term bond funds in an effort to minimize market losses. This can result in instances where the market recovers while the strategy remains invested in cash or bond positions.
- **Economic, Political and Social Uncertainties.** All of our strategies are subject to risks posed by unforeseeable natural, social, political and economic events that result in disruption to the *status quo*. Such events—though not exhaustive—include natural disasters, disease, famine, changes to heads of state and style of government within a particular country, war, societal unrest and conflict, nationalization of industries/increased involvement in certain business or markets, and measures restricting international trade. The responses of particular governments, central banks, private businesses, consumers, populations and or a combination of two or more of these actors can exacerbate the uncertainties that generally accompany these events. In general, such uncertainties have negative effects on the market price of the securities our strategies invest in. Such negative price effects include decline in market price, bankruptcy of individual issuers, default on government debt and market illiquidity. Even investment strategies that solely or primarily invest in U.S.-based companies (both equity and debt securities) are still subject to these risks, as events in one part of the world often affect other parts of the world—and increasingly so in recent times due in part to increasing global trade, transnational investment and global travel.

Tactical Strategies

Our tactical strategies carry the same risks as described above, as well as certain risks unique to the tactical strategies. First and foremost, all quantitative and algorithmic trading models have limitations, and no model or strategy can guarantee a particular rate of return or the avoidance of loss. Second, unlike our other investment programs that rely on diversified mutual funds and ETFs, some of our tactical strategies use sector-focused mutual funds and ETFs. These funds are less diversified and generally subject to more extreme price fluctuations than more diversified funds. Third, the portfolio strategists reserve the right to override each model’s trading recommendations, meaning that the strategies do not eliminate human error. Fourth, particular strategies are less diversified than our other investment programs. Fifth, since many of our tactical strategies move assets to cash as a defensive position when seeking to minimize market losses, “whipsaw” risk can result, where markets recover quickly while portfolio assets remain invested in cash, thereby not participating in the market’s recovery. Finally, some strategies can invest in funds that use leverage, take short positions or invest in currencies or commodities.

Managed Equities Program

This strategy is a concentrated equity portfolio, only holding between 25 and 40 stocks of both U.S. companies and foreign companies at a time. Thus, it is less diversified than both its benchmark, the S&P 500, and most other investment programs that we offer. This

means that investors in this program are likely to experience more volatility in their portfolio—because of both the concentrated nature of the portfolio and its potential to invest in non-United States companies—as compared to the S&P 500 and other portfolios with more diversified holdings.

This strategy is also subject to manager risk, meaning that poor security selection by the strategy's portfolio managers, or their focus on securities in a particular sector, category, or group of companies will result in the client's portfolio underperforming relevant benchmarks or other strategies or portfolios with a similar investment objective.

Environmental, Social and Governance Portfolios

Investors have the option to request that our core investment strategies and managed equities strategy be invested in accordance with an environmental, social and governance philosophy. Investors desiring such portfolios must understand that such an approach restricts the available investments eligible for the portfolio and can result in a greater likelihood that the portfolio, in both near-term and long-term investment periods, will underperform the broader financial market indices. Also, clients must understand that their view of what qualifies as ESG can differ from ours. Therefore, as stated above, we recommend that clients review proposed and existing portfolio recommendations to ensure that each holding is in line with their expectations regarding the portfolio. And, as mentioned, in Item 16, below, clients can request reasonable restrictions with respect to portfolio holdings. If we cannot accommodate a particular requested restriction, we will inform the client.

C. Material Risks Associated with Certain Securities

As stated above, our strategies involve investing in mutual funds, ETFs, individual equities and individual corporate and municipal investment grade bonds. In Item 8(B) above, we have outlined the risks associated with our strategies. Below you will find general risks associated with investing in mutual funds, ETFs, individual equities and corporate and municipal investment-grade bonds.

Specific risks associated with particular mutual funds and ETFs are outlined in the prospectuses for the individual funds that are sent to clients when we invest in those funds on their behalf. We encourage clients to read the prospectuses in order to fully understand the risks involved in each fund.

Mutual Funds

Manager Risk is the chance that poor security selection or focus on securities in a particular sector, category or group of companies will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Investment-Style Risk is the chance that returns from the specific strategy pursued by the mutual fund manager will trail returns from the overall stock market.

Sector Risk is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.

Mutual funds that limit their investment mandates or objectives to a specific sector are more exposed to this risk than more broadly diversified mutual funds.

Non-Diversification Risk is the chance that a fund's performance is hurt disproportionately by the poor performance of relatively few stocks or even a single stock. Certain funds are non-diversified, which means that they invest a greater percentage of their assets in the securities of a small number of issuers or sectors of the economy as compared with other mutual funds.

Environmental, Social and Governance (ESG) Mutual Funds. Mutual funds branded as ESG, socially responsible investing, or impact investing, carry the risk of underperformance and increased volatility. Such mutual funds have a reduced universe of investment options since equities that do not meet the particular fund's eligibility criteria—generally those that do not meet a certain minimal standard or threshold with respect to environmental, social or corporate governance criteria—are excluded from the specific mutual fund's portfolio of holdings.

ETFs

ETFs are typically registered investment companies whose shares represent an interest in a portfolio of securities that tracks an underlying benchmark or index. (Some ETFs that invest in commodities, currencies or commodity- or currency-based instruments are not registered as investment companies.) Unlike traditional mutual funds, shares of ETFs typically trade throughout the day on a securities exchange at prices established by the market. While investing in ETFs carries similar risks to those of mutual funds (because ETF shares are traded on an exchange), they are subject to additional risks that include the following:

Valuation Risk. ETFs are listed for trading on exchanges and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value ("NAV"), there can be times when the market price and the NAV vary significantly. Thus, during such periods, a client will pay more or less than NAV when they buy an ETF share and will receive more or less than NAV when they sell those shares.

Liquidity Risk. Although ETF shares are listed for trading on exchanges, it is possible that any particular ETF or ETFs will not maintain an actively trading market. In addition, trading of ETF shares on an exchange can be halted by the activation of individual or market-wide "circuit breakers" (that halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Exchanges can also halt trading in particular ETF shares if: (i) the shares are delisted from the exchange where they are trading without first being listed on another exchange; or (ii) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

Leveraged or Inverse ETFs. Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Inverse ETFs (also called "short" funds) seek to deliver the opposite of the performance of the index or benchmark they track. Both leveraged and inverse ETFs pursue a range of investment strategies including investments in high-risk financial instruments like swaps, future contracts and other derivative

contracts/arrangements. Most leveraged and inverse ETFs “reset” daily, meaning that they are designed to achieve their stated objectives on a daily basis. Their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of the underlying index or benchmark during the same time. Such price volatility is amplified in volatile markets. Additionally, in most cases, leveraged or inverse ETFs are less tax-efficient because daily resets can cause the ETF to realize significant short-term capital gains that are not offset by a loss.

Sector Risk. Some ETFs limit their exposure to a specific sector. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.

Environmental, Social and Governance ETFs. ETFs branded as ESG, socially responsible investing, or impact investing, carry the risk of underperformance and increased volatility. Such ETFs have a reduced universe of investment options since equities that do not meet the particular benchmark’s or index’s eligibility criteria—generally those that do not meet a certain minimal standard or threshold with respect to environmental, social or corporate governance criteria—are excluded from the specific ETF’s portfolio of holdings.

Individual Stocks

Individual equities are generally more volatile (i.e. carry more risk) than mutual funds and ETFs, with the stocks of small- and medium-size companies being more volatile than those of large companies. Risks that an investor faces when investing in an individual stock include management risk (risk that the company is poorly managed in comparison to competitors), market risk (risk that unfavorable macroeconomic conditions will harm the company), liquidity risk (risk that an actively traded market for the stock will not be maintained), bankruptcy and interest-rate risk. International and emerging-market stocks include exposure to additional risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability. The risks described here are not intended to be exhaustive.

Investment Grade Corporate and Municipal Bonds

The Managed Fixed Income Program primarily invests in corporate and municipal corporate bonds. In Item 8(B) we discuss the risks associated with our strategies. In that section, we discuss general risks affecting bonds, such as credit risk and interest-rate risk. Below, we list additional specific risks of investing in corporate and municipal bonds.

Investment Grade Debt Securities are investment-grade-rated obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit risk than high-yield debt securities. Risks of investment grade debt securities include (among others): (i) marketplace volatility resulting from changes in prevailing interest rates; (ii) the absence, in many instances, of collateral security; and (iii) the declining creditworthiness and the greater potential for insolvency of the issuer of such investment grade debt securities during periods of rising credit spreads and/or interest rates and/or economic downturns.

Credit Ratings of debt securities represent rating agencies’ opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of

principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, there is a chance that ratings will not fully reflect the true risks of an investment. Also, rating agencies could fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial condition could be better or worse than a rating indicates. Consequently, we use credit ratings of portfolio investments as a preliminary indicator of investment quality.

Call Risk is when an issuer exercises its option to redeem securities prior to their maturity. This most often occurs when interest rates are declining, making it in the issuer's best interest to call outstanding bonds and reissue debt at the lower prevailing rates. The owner of the bond needs to reinvest the proceeds from the call in a lower-interest-rate environment. As the call date approaches, it is unlikely that the price of the bond will move much above the call price, limiting the bond holder's upside.

Interest-Rate Risk occurs in rising rate environments; in such circumstances the value of fixed-income securities generally declines.

Economic, Political and Social Uncertainties. All categories of securities listed above are subject to the risks posed by unforeseeable natural, social, political and economic events that result in disruption to the *status quo*. Such events—though not exhaustive—include natural disasters, disease, famine, abrupt changes to heads of state and style of government within a particular country, war, societal unrest and conflict, nationalization of industries/increased involvement in certain business or markets, and measures restricting international trade. The responses of particular governments, central banks, private businesses, consumers, populations and or a combination of two or more of these actors can exacerbate the uncertainties that generally accompany these events. In general, such uncertainties have negative effects on the market price of the securities. Such negative price affects include decline in market price, bankruptcy of individual issuers, default on government debt, and market illiquidity. Even securities of U.S.-based companies (both equity and debt securities) and governments (federal, state and municipal levels) are still subject to these risks, as events in one part of the world often affect other parts of the world—and increasingly so in recent times due in part to increasing global trade, transnational investment and global travel.

Item 9. Disciplinary Information

We do not have any legal or disciplinary events that are material to our clients' or prospective clients' evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

A. Registered Broker-Dealers

Neither we nor our management persons are registered, nor have applications pending to register, as a broker-dealer or registered representatives of a broker-dealer.

B. Registered Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor

Neither we nor our management persons are registered, nor have applications pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or associated persons of those entities.

C. Material Relationships with Related Persons and Conflicts of Interest from Relationships with Related Persons

Other Material Relationships with Related Persons

Senior Management Persons

Daniel Wiener is chairman of Adviser Investments. Mr. Wiener writes and edits the newsletter *The Independent Adviser for Vanguard Investors*, which offers advice on investing in Vanguard mutual funds and ETFs. The newsletter is owned and published by InvestorPlace Media, LLC.²

The Independent Adviser for Vanguard Investors newsletter includes model portfolios made up of Vanguard mutual funds and ETFs.

Jeffrey DeMaso, director of research at Adviser Investments, is co-editor of *The Independent Adviser for Vanguard Investors* newsletter alongside Mr. Wiener.

James Lowell is chief investment officer of Adviser Investments. Mr. Lowell owns—as sole owner—Fundworks, Inc., through which he writes and edits the *Fidelity Investor* and *Fidelity Sector Investor* newsletters. These newsletters each offer advice on investing in Fidelity mutual funds and ETFs. InvestorPlace Media, LLC, publishes both newsletters.

Mr. Lowell's newsletters, *Fidelity Investor* and *Fidelity Sector Investor*, include model portfolios made up of Fidelity mutual funds and ETFs.

Important Information and Potential Conflicts

The newsletters authored by Mr. Wiener, Mr. DeMaso and Mr. Lowell and published by InvestorPlace Media, LLC include model portfolios made up of mutual funds and ETFs. The

² InvestorPlace Media, LLC is not owned to or controlled by Adviser Investments, LLC or any employees or owners of Adviser Investments. Therefore, we do not consider InvestorPlace Media, LLC to be a related person of the Firm.

newsletter portfolios (including composition and performance record) and recommendations could differ substantially from portfolios managed by Mr. Wiener, Mr. DeMaso and Mr. Lowell at Adviser Investments.

The newsletters render impersonal investment advice, without specific knowledge of the particular circumstances of the readers of the publications or subscribers to the services. This means the newsletter services are qualitatively different from the services rendered to our clients. In addition, the mutual-fund-focused newsletters rarely recommend investing outside of either the Fidelity or Vanguard fund families. Portfolios of Adviser Investments' clients, however, utilize other fund families in addition to the Fidelity and Vanguard fund families.

The Firm does not believe that the trading recommendations that Mr. Wiener, Mr. Lowell and Mr. DeMaso make through these newsletters to subscribers will have a material impact (if any impact at all) on the investments our clients hold or that the Firm intends to buy or sell for its clients at a particular time. The newsletters make buy, sell or hold recommendations on open-end mutual funds (and similar open-end investments within annuity products) and ETFs sponsored by either Vanguard or Fidelity. The value of these products is determined by the value of the assets that each particular fund holds. Open-end mutual funds are sold and redeemed at their net-asset value determined by end-of-day closing price of each investment held within the particular open-end mutual fund. Like open-end mutual funds, ETFs are also valued based on the assets the ETFs hold. But unlike open-end mutual funds, ETFs are purchased and sold by investors at market prices on trading exchanges. Nevertheless, the market prices of ETFs generally closely track the net-asset value of the respective ETF due to ETF market structure and arbitrage mechanisms and incentives built into each ETF's trading market. The Firm, therefore, believes that the newsletter activities of Messrs. Wiener, Lowell and DeMaso will not have a meaningful impact on the value of our clients' assets or affect trading opportunities and price levels available for the Firm's clients.

A potential conflict also exists regarding the amount of time Mr. Wiener, Mr. Lowell and Mr. DeMaso spend on the outside activities described above. This can impact the amount of time they spend fulfilling their obligations to Adviser Investments. We address this conflict by appointing qualified management to run the day-to-day operations of Adviser Investments.

Additional Information Regarding Mr. Wiener's, Mr. Lowell's and Mr. DeMaso's Newsletter Activities

Adviser Investments does not own, operate or publish *The Independent Adviser for Vanguard Investors*, *Fidelity Investor*, or *Fidelity Sector Investor* newsletters. Thus, any and all recommended portfolios, editorial content and portfolio performance results contained in the newsletters are not representative of Adviser Investments' services. Likewise, portfolio performance results published in the newsletters and materials promoting subscriptions to the newsletters are not performance results of Adviser Investments, nor they should be expected by clients of Adviser Investments.

Readers of the newsletters should not confuse or conflate the newsletters' content as that of Adviser Investments. The services of the newsletters are separate and

different from the services offered and provided by Adviser Investments. The investment views, investment recommendations and investment portfolios (and the respective portfolio's performance record) published in each newsletter is strictly that of the newsletter in which such appears.

Clients and prospective clients of the Firm should not use any of the advertising materials promoting the newsletters in evaluating the Firm or Mr. Wiener, Mr. Lowell or Mr. DeMaso. These marketing materials are not endorsed, verified or reviewed by the Firm prior to or after publication and use by InvestorPlace Media, LLC. These marketing materials are solely used by InvestorPlace Media, LLC to sell subscriptions of the newsletters being advertised. Clients and prospective clients should only use materials provided by the Firm in their evaluation and consideration of the Firm and its services. The Firm periodically has separate marketing materials of the Firm inserted into physical copies of the newsletters. These materials are advertisements of the Firm and are marked as such.

1. Other Employees

Our advisory representatives are compensated for enrolling clients in our programs. This compensation is based upon a percentage of the advisory fees received from such clients. This practice presents a conflict of interest. Advisory fees vary by strategy, and our employees could be motivated to recommend strategies with higher advisory fee schedules since such a recommendation would generate a higher amount of compensation. We address this conflict through our Portfolio Review Committee meetings where portfolio proposals for both new and existing clients are vetted by a team of experienced portfolio executives and managers from our Firm.

Regarding tax return filing and preparation services described in Item 4(B) above, representatives of Adviser Investments are not compensated for referring clients to Adviser Investments Tax Solutions. And, employees of Adviser Investments, LLC do not spend significant portions of time with respect to tax preparation. Adviser Investments Tax Solutions has a dedicated tax preparation staff.

D. Conflicts of Interest from Arrangements with Other Investment Advisers

We do not recommend any other investment advisers to our clients.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Summary of Code of Ethics

We maintain a Code of Ethics (the "Code") that describes our fiduciary duty to our clients and sets standards for business conduct. The following is a summary of the key provisions of the Code:

Scope - The Code covers all directors, officers, partners, employees and any other persons who are under our supervision and control.

Fiduciary Duties - The Code is based on the principle that the Firm and its employees owe a fiduciary duty to our clients. Accordingly, the Firm and its employees must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of the Firm's clients.

Personal Securities Trading - All Employees are subject to certain trading restrictions. In addition, all employees must report their personal securities transactions quarterly and personal securities holdings annually.

Code of Conduct - The Code contains specific topics designed to reflect our commitment to ethical conduct. These topics include compliance with legal and regulatory requirements, gifts, outside activities, entertainment and board directorships. We also maintain separate Insider Trading Policies and Procedures.

Code Violations - The Code provides for appropriate sanctions for violations.

You can obtain a copy of our Code by contacting our Compliance Department at 85 Wells Avenue, Newton, MA 02459, or calling (617) 321-2200.

B. Recommending Securities in Which We Hold a Financial Interest

We do not recommend or buy or sell securities in which we or a related party hold a material financial interest.

C. Adviser Investments' Employees Investing in the Same Securities as Clients

We permit our employees to trade in the same securities as those held by clients. In particular, Adviser Investments' 401(k) plan provides many of the same investment options for plan participants that Adviser Investments recommends to clients. Potential conflicts arise when employees buy or sell the same securities we buy or sell for clients. For instance, if employees have knowledge of pending client trades that could impact the market price of a security, they could time their transactions with the intention of receiving a better price than that of the clients. Our policy, with the exception of open-end mutual funds, is to review employee personal trading to ensure that such employees do not profit at the expense of clients.

Employees, aside from those in their status as our clients, are not permitted to participate in aggregated trades with client accounts.

For additional information on aggregation of trades see Item 12(B).

D. Adviser Investments' Employees Trading in the Same Securities as Clients at the Same Time

We and/or representatives of Adviser Investments are permitted to buy or sell securities at or around the same time as those securities are recommended to clients. This practice creates a situation where we and/or our representatives are in a position to potentially benefit in a material manner from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Our policy is, with the exception of open-end mutual funds, to review employee personal trading to ensure that such employees do not profit at the expense of clients.

Item 12. Brokerage Practices**A. Criteria for Broker Selection and Reasonableness of Compensation****Selection of Broker/Custodian**

We generally recommend that clients designate Fidelity Investments ("Fidelity"), TD Ameritrade or Charles Schwab to act as the custodian for their accounts.³ Clients enter into agreements directly with the custodian to open their account. We do not open the account for the client, although we will assist the client in doing so.

Brokerage transactions are generally executed through the custodian selected by the client. However, we have the right to use other brokers to execute trades for the client's account. We use other brokers primarily to execute bond trades for those clients participating in the Managed Fixed Income Program.⁴ Fixed income trades are settled through the client's account at the custodian.

As stated above, we recommend that clients designate Fidelity, TD Ameritrade or Charles Schwab (collectively "Recommended Custodians") to act as custodian for their accounts after considering a wide range of factors, including, among others:

- Financial strength, integrity and stability;
- Quality of trading and execution services;
- Competitiveness of the fees based upon the quality of service;
- Availability of research, pricing services and other market data;
- Breadth of available investment products (mutual funds and ETFs); and,
- Responsiveness.

Our Recommended Custodians charge our clients a flat transaction fee for effecting all securities transactions. With regard to our Recommended Custodians, we seek to negotiate competitive rates for our clients. However, the transaction fees charged by our

³ In 2019 Charles Schwab acquired TD Ameritrade.

⁴ Not all Recommended Custodians allow the account holder to transact with other brokers when buying and selling positions in our Managed Fixed Income Program. We identify these custodians in advance to the client and suggest they consider another custodian, although the client remains free to make the final decision.

Recommended Custodians could be higher or lower than those charged by other custodians and broker-dealers for the same services.

If trades are executed with a broker other than the custodian where the client account is maintained, an additional fee (“prime broker fee”) is charged by the custodian. This fee is in addition to commissions paid to the executing broker. To minimize trading costs, we execute most client trades through the custodian where the client’s account is maintained for a stated fee rate. We have determined in good faith that having our Recommended Custodians execute most trades is consistent with our duty to seek “best execution” of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including execution capability, transaction costs, value of research, responsiveness and financial strength and reputation of the broker.

In order to meet our duty of best execution for our Fixed Income Program, we encourage clients to enable prime brokerage access on their account—when available—in order to execute trades through brokers other than the custodian chosen by the client. In these cases, the client will pay a prime broker transaction fee.

For our fixed income trades, we select brokers based upon a number of factors, including the following:

- Financial strength, integrity and stability;
- Execution capabilities;
- Broker compensation (commissions, mark-ups, mark-downs);
- Responsiveness and service; and
- Available inventory of bonds.

We periodically review our policies regarding broker selection for all of our investment programs in light of our duty to obtain best execution.

Products and Services Available to Us from Broker/Custodian

Our Recommended Custodians provide us and our clients with services and benefits that are generally not available to their retail customers. Some of these services help us manage or administer clients’ accounts, while others help us manage and grow our business. These support services are generally, but not always, available to us whether we request them or not.

Among the services provided by our Recommended Custodians that **directly benefit clients** are: (i) execution and settlement services; (ii) broad range of investment products; (iii) custody of client assets; and (iv) availability of certain investment products that are not available to retail accounts.

Certain services provided by our Recommended Custodians **benefit us but have no direct benefit to our clients**. These services assist us in managing client accounts. They include, but are not limited to:

- Research, pricing services and other market data;

- Ability to electronically download client trades, transactions, balances and positions into our portfolio record-keeping system;
- Use of trading software to facilitate trade execution and aggregate orders for multiple client accounts;
- Ability to pay our management fees directly from client accounts; and,
- Provide access to client account data, such as confirmations and statements.

Other services that are made available by our Recommended Custodians generally **benefit only us**. These services include, but are not limited to: (i) consulting on technology, compliance, legal and business needs; (ii) educational conferences; (iii) publications and conferences on practice management; and (iv) access to employee benefits providers, human capital consultants and insurance providers. These services are provided by our Recommended Custodians or by a third-party vendor. Where such benefits are applicable, our Recommended Custodians will either waive their fees for some of these services or pay all or part of the fees of a third-party vendor. Other benefits, such as business entertainment, are provided to our personnel from time to time.

Potential Conflicts of Interest Arising from Broker/Custodian Arrangements

The following potential conflicts of interest arise from our relationship with our Recommended Custodians:

- The products and services made available to us through our Recommended Custodians directly benefit us to the extent that we would have to produce or pay for such products and services
- Since our Recommended Custodians have a minimum dollar amount of assets required in order to receive some or all of the services discussed above, this provides an incentive to continue to use or expand our use of our Recommended Custodians in order to benefit us rather than our client
- Rebates from our Recommended Custodians on services and products provided by third-party service providers that we would otherwise pay for directly. In some cases, the particular custodian has the ability to apply these discounts unilaterally to certain third-party service providers

We examine these potential conflicts of interest on an ongoing basis. We believe that our selection of our Recommended Custodians is in the best interests of our clients. Our selection is primarily based upon the quality and price of the services provided that benefit our clients and not on those services that benefit only us.

Soft Dollar Benefits

Although we receive certain benefits discussed above from our Recommended Custodians as advisors on their respective advisor platforms, we do not receive such benefits for directing specific client trades to our Recommended Custodians. For trades, other than fixed income trades, all clients are charged the same negotiated flat fee. All fixed income trades are directed to brokers based upon execution capabilities, broker charges,

availability of bonds and responsiveness and service. Please refer to Selection of Broker/Custodian for a discussion of our practices regarding trade execution.

Brokerage for Client Referrals

We do not select or recommend brokers or direct client transactions to brokers based upon whether we or our employees receive client referrals from such brokers. The Firm participates in a referral program with an affiliate of Fidelity—Fidelity Personal and Workplace Advisors, LLC.⁵ Under this referral program, Fidelity Personal and Workplace Advisors, LLC serves as a solicitor for the Firm. For more information regarding this solicitor arrangement, please see Item 14(B) of this Brochure.

Adviser Investments Directed Brokerage

As stated in Item 12(A), we generally recommend that our clients designate one of three Recommended Custodians to act as the custodian for their accounts as part of their client advisory agreement with us. Inherent in our recommendation to use one of these custodians is the fact that we will also direct most brokerage transactions to our Recommended Custodians in order to minimize trading costs. We have provided a full explanation of this practice and the consequences to the client under Selection of Broker/Custodian at the beginning of Item 12(A). However, we have the right in our advisory agreement to direct trades to other brokers in cases where we cannot meet our responsibility to achieve best execution through the client's chosen custodian.

Not all investment advisers recommend or require their clients to use a specific custodian. Representatives of Adviser Investments are available to address any questions that a client or prospective client has regarding the Firm's arrangement with any of our Recommended Custodians and any corresponding perceived conflict of interest any such arrangement creates.

Client Directed Brokerage

If a client chooses to use a broker-dealer/custodian other than one of our Recommended Custodians, the client will negotiate terms and arrangements for their account with that broker-dealer, and Adviser Investments will not seek better execution services or prices from other broker-dealers, nor be able to "aggregate" (see Item 12(B) below) the client's transactions for execution through other broker-dealers with orders for other accounts managed by Adviser Investments. As a result, the client could pay higher commissions, other transaction costs, greater spreads, receive less favorable net prices, or a combination of these higher costs on transactions for the account than would otherwise be the case.

In the event that the client directs Adviser Investments to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction could cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through other available alternative clearing arrangements.

Regarding our Managed Bond Program, if a client chooses to hold accounts at a custodian that does not permit the account holder to have a prime brokerage account, our bond

⁵ Fidelity and Fidelity Personal and Workplace Advisors, LLC are not affiliated with the Firm.

manager will not be able to buy or sell bonds in the account at dealers other than the custodian of the account. This can result in worse pricing and or yields due to mark-ups than otherwise available in the market. Clients should discuss custodian choice with their portfolio executive in advance of selecting a custodian for these particular accounts.

B. Trade Aggregation

For orders of sufficient size, we often aggregate such orders for the sale and purchase of ETF securities, fixed income securities and individual equities for our clients if we believe we can obtain a better execution price by doing so. For aggregated trades that are fully executed, each client will receive the number of shares originally intended for his or her account. In the event trades are partially executed, clients will receive a pro-rated allocation. An aggregated order for the remaining shares will be entered on the next trading day. For aggregated orders that are executed in more than one transaction, the client's portion of such order is the average of the prices at which all such transactions were executed for each day. The average price could be greater or less than the price the client would receive if the trade was made separately for such client. All transaction costs for aggregated orders are shared on a pro-rata basis based on each client's participation in the transaction.

We will aggregate orders for the sale and purchase of bonds for our clients if we believe doing so will result in a better execution price for our clients. For aggregated trades that are fully executed, each client will receive the number of bonds originally intended for his or her account. In the event trades are partially executed, clients will receive a pro-rated allocation. All transaction costs remain the same regardless of whether the order is aggregated or not. As stated above, clients that have chosen to direct brokerage of trades on their accounts will not be able to participate in aggregated trades.

Employee accounts that we manage are included in aggregated orders. We prohibit favoring any account, including employee-managed accounts, over any other account. We maintain a record of the aggregated order that includes each participating account and its allocation that we complete prior to entering the aggregated order. Orders are allocated consistent with our initial allocation.

Item 13. Review of Accounts

A. Periodic Review of Client Accounts

Generally, client level account reviews occur quarterly. The reviews are performed by each client's portfolio executive and service team. Reviews consider factors such as changes in client goals and financial circumstances, performance of accounts under our management, financial planning and restrictions on accounts. In addition to the quarterly reviews conducted by each client's portfolio executive, the Firm's investment research team and Investment Committee continually review and assess client accounts and recommend trades in client accounts.

New accounts are reviewed by members of the Firm's management. Review considers appropriateness of the strategy recommended for each account, restrictions placed on the

account by the client and trading considerations (e.g. timing of trades to be undertaken, consideration of capital gains as instructed by client, etc.).

B. Review of Client Accounts on Other Than Periodic Basis

External factors that can cause our portfolio executives or Investment Committee to review a client's account more frequently include:

- Volatile market periods;
- Changes in client objectives; and
- Client request.

C. Content and Frequency of Client Reports

We provide clients with written quarterly portfolio evaluations of their accounts, including performance reports.

Item 14. Client Referrals and Other Compensation

A. Economic Benefits from Third Parties

We receive an economic benefit from the broker/custodian that we recommend to clients. This benefit is in the form of products and services that the custodian makes available to investment advisers whose clients maintain their accounts with the broker/custodian. The actual products and services received that benefit us and potential conflicts of interest are fully described in Item 12 (Brokerage Practices) above.

Aside from economic benefits addressed in Item 12 above, and those described below in this Item, we do not receive any other economic benefit from a third party for providing investment advisory services.

B. Compensation to Third Parties for Referrals

1. We have solicitation arrangements with unaffiliated third parties ("Solicitors") that allow the Solicitors to receive a cash referral fee for referring clients to us. The Solicitors will be paid a cash referral fee based upon a percentage of the advisory fees actually received from any client introduced by the Solicitors to us. Our payment of fees to third-party solicitors described in paragraphs 1, 3 and 4 of this section (Item 11(B)) for client referrals will not result in any increase in the advisory fee paid by any client. The Solicitors are required to provide any prospective client they solicit with a written disclosure document outlining the compensation arrangement with us. **If you did not receive a disclosure document from your solicitor at the time of referral, please contact our Compliance Department at (617) 321-2200.** The Solicitors are also required to meet certain requirements under Rule 206(4)-3 of the Investment Advisers Act of 1940.
2. Referral fees paid to our employees are calculated as a percentage of the investment advisory fees, which are based on assets under management. This practice presents a conflict of interest. Advisory fees vary by strategy; thus, our

portfolio executives could be motivated to recommend strategies with higher advisory fee schedules since the recommendation results in a higher cash referral fee. We address this conflict through our Portfolio Review Committee meetings where new client portfolio proposals are vetted by a team of experienced portfolio executives and managers.

3. ***Participation in Fidelity Wealth Advisor Solutions®.*** The Firm participates in the Fidelity Wealth Advisor Solutions® Program (the “WAS Program”), through which the Firm receives referrals from Fidelity Personal and Workplace Advisors, LLC (FPWA), a registered investment adviser and Fidelity Investments company. The Firm is independent of and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control the Firm, and FPWA has no responsibility or oversight for the Firm’s provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for the Firm, and the Firm pays referral fees to FPWA for each referral received based on the Firm assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment adviser, and any referral from FPWA to the Firm does not constitute a recommendation or endorsement by FPWA of the Firm’s particular investment management services or strategies. More specifically, the Firm pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and 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. In addition, the Firm has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by the Firm and not the client.

To receive referrals from the WAS Program, the Firm must meet certain minimum participation criteria, but the Firm 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, the Firm 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 the Firm 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 the Firm as part of the WAS Program. Under an agreement with FPWA, the Firm has agreed that it will not charge clients more than the standard range of advisory fees disclosed in Item 5, above, to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, the Firm 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 the Firm’s fiduciary duties would so require, and the Firm 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, the Firm 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 the Firm's duty to select brokers on the basis of best execution.

Item 15. Custody

Adviser Investments has custody over certain client accounts. For all client accounts of the Firm, the qualified custodian will send account statements to the client at least quarterly. Client should carefully review those statements and compare custodian statements with any reports received from Adviser Investments.

We do not provide separate account statements to our clients. However, we do provide quarterly performance reports to our clients. If clients have any questions about their custodian's account statement or if they do not receive an account statement from their custodian, they should contact our Compliance Department at (617) 321-2200.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets.

Item 16. Investment Discretion

In most cases, our clients sign a discretionary investment management agreement with our Firm before we will begin managing their accounts. This agreement gives us the right to choose both the amount and type of security to be traded in our clients' accounts without receiving prior consent from them. Clients can request reasonable restrictions and investment parameters for their account(s). If we cannot accommodate a particular requested restriction, we will inform the client. For a further discussion of this process, see Item 4 (Advisory Business). However, clients should note that trading restrictions can in certain circumstances prevent the client from participating in block/aggregated trades, and thus result in different execution prices than other clients. For further discussion on our Trade Aggregation practices, see Item 12, subsection "Trade Aggregation."

Item 17. Voting Client Securities

We do not and will not accept the proxy authority to vote our clients' securities. In addition, we will not provide advice to our clients about how to vote proxies. Our clients will receive proxies or other solicitations directly from the custodian or transfer agent. In the event that proxies are sent to us, we will forward them on to our clients and ask the party who sent them to mail them directly to our clients in the future.

We do not determine if securities held by clients are the subject of a class action lawsuit or whether the client is eligible to participate in class action settlements or litigation, nor do we initiate or participate in litigation to recover damages on the client's behalf for injuries as a result of actions, misconduct, or negligence by issuers.

Item 18. Financial Information

We do not require, nor do we solicit, prepayment of more than one-thousand-two-hundred dollars (\$1,200.00) in fees per client six (6) months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

We do not have any financial conditions to disclose that are likely to impair our ability to meet our contractual commitments to our clients.

We have never been the subject of a bankruptcy petition.

Additional Information: IRA Rollover Accounts**Advice Regarding Rolling Assets From An Employer Sponsored Retirement Plan to an IRA/IRA Rollover Account**

On May 7, 2018, the Department of Labor issued Field Assistance Bulletin No. 2018-02 stating that financial advisers are allowed to recommend that individual participating in an employer-sponsored retirement plan advised by the financial adviser roll assets from an employer-sponsored retirement plan into an IRA rollover or IRA account managed by the same financial adviser, so long as the recommendation met the impartial conduct standards in the Department of Labor's Best Interest Contract Exemption. These standards require that the financial advisor in good faith:

- 1) Act in the best interest of the retirement investor;
- 2) Not accept more than reasonable compensation; and
- 3) Not make any misleading statements about:
 - a. Investment transactions;
 - b. Compensation; and
 - c. Conflicts of interest.

Representatives of Adviser Investments will not recommend that the clients roll assets from an employer-sponsored retirement plan unless such a transaction is in the client's best interests based on their needs, goals and circumstances. With respect to our compensation, we believe our fee rates as published in Item 5 above, are reasonable with respect to current market rates for personalized discretionary portfolio management and individual investment counsel, advice and direction—even if such fees exceed the fees that may be charged in their current employer-sponsored retirement savings plan.

Important Information Regarding Retirement Rollover Accounts For Client Consideration

Retirement accounts carry unique features. We ask that our clients keep the following in mind when considering rolling assets from an employer sponsored retirement plan:

- 1) A plan participant may not have to roll their employer-sponsored retirement plan into an IRA/IRA Rollover account. Plan participants should check with their employer

sponsored plan to determine if they have the option of keeping the retirement assets in the former employer's plan

- 2) A plan participant could be allowed to roll the retirement assets into their new employer's plan
- 3) Plan participants are allowed to cash out the account value. Anyone considering such action should consult with a tax professional prior to making such decision as such a decision can result in tax liabilities
- 4) Fees. Adviser Investments' fee could be higher than the fee(s) that the plan participant is paying with their current plan or investment adviser. They should compare Adviser Investments' fee with the fee(s) they are currently paying in their current retirement plan or with their current investment adviser
- 5) Participants in an Employer Sponsored Retirement Programs. If a plan participant is rolling assets from an employer sponsored retirement program (i.e. 401(k), 403(b), Thrift Savings Plan, and 457 plans) into an IRA/IRA Rollover account they should be aware of the following:
 - a. Depending on the account's value, they may not be obligated to rollover their account. To know for sure, they are encouraged to review their particular plan's rules
 - b. If a plan participant is over 72 years of age, they do not need to take a required minimum distribution from their employer sponsored retirement account, so long as they are currently employed by the sponsor of the plan.
 - c. Plan participants may be able to take penalty free withdrawals from their employer sponsored retirement account between the ages of 55 and 59.5. To know for sure, they are encouraged to review the particular plan's rules
 - d. Fees. Some or all of the investment related fees and commissions may be covered under their current program. To know for sure, plan participants are encouraged to check with their current plan
 - e. Fund Costs. Plan participants may pay a lower expense ratio as a participant of an employer sponsored retirement program for similar funds recommended by Adviser Investments. To know for sure, they are encouraged to review current information provided by their plan on its available investment options
 - f. Additional Protections from Creditors. In some states, assets in employer sponsored programs receive additional protections from creditors that assets in an IRA Rollover account do not
 - g. Realization of Capital Gains in Employer Stock. Rolling funds from an employer sponsored retirement plan to an IRA /IRA rollover account **will likely** trigger the realization of capital gains on the employer stock held in their account at

the employer sponsored retirement plan. To know if any tax consequences will result from a rollover, plan participants should speak with a tax professional ***prior to*** rolling any assets out of their current plan