

**Part 2A of Form ADV: Firm Brochure**

**Cover Page**

**CRD/IARD No. 18975**

**Fieldpoint Private Securities, LLC**

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**September 30, 2022**

This Brochure provides information about the qualifications and business practices of Fieldpoint Private Securities, LLC. If you have any questions about the contents of this Brochure, please contact us at 203-682-6550. 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.

Additional information about Fieldpoint Private Securities, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Fieldpoint Private Securities, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

## **Item 2                      Material Changes**

The following material changes have taken place since the last update of this Brochure, which was April 13, 2022:

On January 6, 2022, Fieldpoint Private Securities, LLC (FPS) entered into a transition agreement with Summit Financial, LLC (“Summit Financial an SEC-registered investment adviser (CRD#: 299322/SEC#:801-114377). On April 14, 2022, all parties to the January 6, 2022, FPS/Summit transition agreement as described amicably agreed to permanently cease all action with regard to that agreement.

On April 15, 2022, FPS signed a Memorandum of Understanding with tru Independence (CRD #:168256/SEC#:801-78748), an SEC registered investment advisor, to acquire the FPS Broker Dealer along with the assets of the FSP Registered Investment Advisor. The acquisition was expected to be completed by December 31, 2022. All parties to the April 15, 2022 amicably agreed to permanently cease all action with regard to that agreement.

On May 5, 2022, FPS CEO/President, Mr. Christopher DeLaura, departed from FPS on May 5, 2022 and the FPS Chief Compliance Officer, Mr. David E. Achzet, assumed the role of Interim-CEO/President during the course of the Tru Independence agreement as noted and departed FPS on August 16, 2022. Mr. Scott Noah became the Interim-CEO/President on August 5, 2022 and Ms. Mary Margaret Cooke became the FPS Chief Compliance Officer on August 10, 2022.

Alkido Dominari Financial a subsidiary of Alkido Pharma Inc. (NASDAQ: AIKI) entered into an agreement to purchase the affiliated FPS FINRA broker-dealer on September 9, 2022. The sale is pending final approval from FINRA.

FPS has experienced a decrease in assets under management of its investment advisor. This decrease in AUM is primarily attributable to the departure of certain FPS Advisors amid uncertainty of firm leadership/ownership.

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## Item 4

## Advisory Business

Fieldpoint Private Securities, LLC (“FPS” or the “Firm”) was formed as a FINRA registered securities broker-dealer in 1986, under the name Nutmeg Securities, LLC. Nutmeg Securities, the predecessor firm, became a state-registered investment advisor in 2001. In 2011, Nutmeg Securities was acquired by Fieldpoint Private Bank & Trust (“Fieldpoint Private” or “FP”), of which it is now a wholly owned subsidiary. In July 2013, FPS qualified to change its status from a state-registered investment advisor to an SEC-registered investment advisor.

FPS offers four types of advisory services:

1. Non-Discretionary – FPS provides non-discretionary investment management and advice to clients. Clients choose a non-discretionary engagement by executing a non-discretionary Advisory Services Agreement. FPS provides clients tailored asset allocation advice and refers clients to outside, unaffiliated investment managers to fulfill the portfolio construction process. Outside managers are researched, vetted, selected and monitored by FPS Advisor. Approved managers include separately managed accounts (SMAs), mutual funds, limited partnerships, unified managed accounts (UMAs) and other types of products. FPS, in consultation with clients, recommends approved managers that are suitable based on the client’s financial goals, risk tolerance and investment experience. FPS may change the asset allocation and manager selections only with client approval.<sup>1</sup>
2. Discretionary – FPS provides discretionary investment management and advice to clients. Clients choose a discretionary account by executing a discretionary Advisory Services Agreement. FPS provides clients with tailored asset allocation advice and manages portfolios on a discretionary basis using a combination of individual securities (such as stocks, bonds, exchange traded funds [“ETFs”] and limited partnerships) as well as approved outside, unaffiliated investment managers. The FPS Advisor assigned to the client’s advisory relationship may purchase and sell securities and select outside managers on a client’s behalf without obtaining the client’s prior approval for each individual trade.

Discretionary clients may set up a donor-advised fund (DAF) whereby the client contributes cash or assets to a public charitable organization, which then creates a separate account for the donor. FPS may manage the assets itself or utilize a third-party to set up and manage up such accounts.

3. Assets Not Recommended/Researched by FPS – FPS may provide counsel and advice about client investments that were not recommended or researched by FPS, and over which FPS exercises no discretionary control either directly or indirectly. Such investments and/or portfolios may be held at FPS’ preferred custodian or elsewhere (assets held elsewhere are referred to as “held away”). Advisory fees apply regardless of whether such assets are held at an FPS preferred custodian or held away. FPS may, at its sole discretion and in

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<sup>1</sup> FPS and its Advisors do not recommend or solicit transactions in individual securities, including stocks and bonds, in clients’ non-discretionary advisory accounts, and unsolicited orders are not accepted in such accounts. It is suggested that clients who have non-discretionary advisory relationships with FPS and wish to trade individual securities establish brokerage accounts (i.e., commission-based transactional accounts) at FPS.

consultation with the client, negotiate a flat fee for assets held away and included in consolidated performance reports that is different from the fee charged for assets held at an FPS preferred custodian. Please see Item 5 (“Fees and Compensation”) for more information.

#### 4. Consulting Services

- FPS offers fee-based financial planning and consulting services. Such services often involve a specific project or set of projects, such as preparation of a financial plan or consultation on estate planning, college planning, business planning, etc., with a deadline agreed upon between the client and FPS for completion of the project(s) and any related work product. In such circumstances a flat fee is negotiated based upon factors including, but not limited to, the client’s needs and objectives, the complexity of the plan or consulting engagement, the nature of the anticipated work product, the time required to develop the plan and/or conclude the consultation, and the overall experience of the FPS Advisor providing the services. Clients who wish to use the Firm’s financial planning/consulting services will be provided with an agreement at the commencement of the engagement describing the scope of the project, the expected final work product, the anticipated timeframe for completion, and the agreed-upon flat fee. An initial retainer payment is typically required upon execution of the engagement agreement, with the balance due upon completion of the engagement or in stages at scheduled times (or upon achievement of established milestones) during the course of the engagement. Throughout the project, the assigned FPS Advisor will regularly consult with the client, as well as others if and as directed by the client (such as attorneys, accountants, etc.), to provide updates on the project’s progress, refine the scope as warranted, gather additional information as applicable, and respond to any questions.

The written financial plan or consultation may consist of observations, assumptions, strategies and recommendations. Depending on the agreement covering the engagement, the client may have the opportunity to update the financial plan or consultation document annually, or as relevant circumstances change. The client may choose to implement all, any component, or none of the financial plan or consulting recommendations, and those the client wishes to pursue may be implemented through FPS or through any other institution of the client’s choosing. In the event that implementation is done through FPS and depending on the nature of the relationship entered into to facilitate such implementation, the client may be asked to execute a non-discretionary or discretionary Advisory Services Agreement (as applicable), with respect to which the fee schedule described in Item 5 of this Brochure will apply. In such circumstances, the FPS Advisor assigned to the relationship will receive compensation in addition to that received directly in connection with the financial planning and/or consulting services.

- FPS also offers clients the opportunity to enter into open-ended consulting agreements whereby FPS will provide various ongoing services as set forth in the agreement. As an example, such services might include working with an institutional client’s Investment Committee to establish investment objectives and design and

implement a disciplined investment management process, evaluating potential investment strategies and opportunities (whether or not on the FPS platform), performing portfolio reviews, providing brokerage and private banking services, performance reporting, and/or such other services as requested by the client and agreed to by FPS. The fee arrangement for such consulting services is negotiated on a case-by-case basis, and may be based upon or include a standard flat payment on a recurring basis (e.g., annually), an asset-based fee, commissions and other fees for brokerage and banking services, and/or a combination thereof depending on the specific nature of the services and the agreement between the client and FPS.

Advisory services are tailored to individual client needs, requests, goals and risk tolerance based on information obtained from each client at account opening and on an ongoing basis as warranted. There is no guarantee or assurance that our advisory services will in fact be successful in helping clients achieve their financial goals, and clients may lose a portion or all of their investment. Clients must carefully consider the investment options available to them, both at FPS and elsewhere, to ensure that they make a well-educated decision when choosing the investment approach and strategy most appropriate for their individual financial goals and circumstances.

Clients may request reasonable restrictions regarding investments that may be held in their portfolios. Any such request must be made in writing and will become effective upon acknowledgment and acceptance of that request. Where client assets are to be managed by outside investment managers, we will confer with those managers about their ability to abide by any client-requested restrictions or accommodations. If we manage client assets directly, acceptance of client-requested restrictions will depend on whether, in our opinion, such restrictions are reasonable and would not unduly interfere with our ability to provide the investment advisory services necessary to facilitate achievement of the client's goals. In either circumstance, if it is determined that a client-requested restriction cannot be accommodated, the client will be notified so as to have the opportunity to modify the requested restriction and/or consider other investment options.

As of August 31, 2022, regulatory assets under management at FPS had an aggregate value of \$ 1,107,779,210 billion, with \$ 172,406,655 million representing assets held in discretionary accounts and \$ 935,372,555 million representing assets held in non-discretionary accounts.

Note that FPS does not offer wrap fee accounts (i.e., accounts that include all management, custodial and administrative fees).

## **Item 5 Fees and Compensation**

FPS is compensated for its services by an annual advisory fee (the "Advisory Fee") charged to its investment advisory clients based on a percentage of assets being advised, in accordance with the fee schedule set forth below.<sup>2, 3</sup>

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<sup>2</sup> FPS reserves the right to revise its advisory fee schedule from time to time. Clients are subject to the fee set forth in their Advisory Services Agreement, unless amended by written agreement between FPS and the client. Therefore, advisory fees may differ among clients, and, depending on when a client's Advisory Services Agreement was signed, may differ from the fee schedule set forth herein.

<sup>3</sup> For purposes of fee calculation, the default valuation for investments in private equity is based on the dollar amount

<b>Assets Being Advised</b>	<b>Advisory Fees as a Percent of Assets</b>
On the first \$5,000,000	1.25%
On the next \$5,000,000	1.00%
On the next \$15,000,000	0.85%
On the next \$25,000,000	0.65%
On the next \$25,000,000	0.50%
On amounts over \$75,000,000	0.45%

Asset-based Advisory Fees are deducted from client assets quarterly in advance. Advisory Fees for the following calendar quarter are calculated based on a percentage of the client's asset value at the end of the most recent calendar quarter, as follows:

The asset level at the end of each quarter is multiplied by one-quarter (1/4) of the annual fee percentage to determine the fee to be charged and deducted from the client assets. For example:

<b>Quarter-End Account Assets</b>	<b>Annual Fee</b>	<b>Calculation</b>	<b>Fee Charges/Deducted from Assets</b>
\$1,000,000	1.00%	\$1,000,000 x 0.25%	\$2,500

FPS may, in its sole discretion, charge a lesser fee than set forth above on all or a portion of the assets held in an advisory account based upon certain criteria. Such criteria might include, for example and without limitation, the level of advice provided on certain assets, the location of assets, account composition, pre-existing client relationships, related accounts, anticipated future additional assets, and whether the client is an employee of FPS or an affiliate. If a fee different from the schedule above is negotiated with respect to all or a portion of the advisory assets, the client will be asked to sign a fee addendum to the Advisory Services Agreement memorializing such negotiated fee.

If the client's advisory contract is terminated before the end of a billing period, FPS will reimburse the client *pro-rata* for any advisory fees paid in advance.

In addition to the above, a separate fee may be charged on "held away" assets (as defined in Item 4.3 above) on which FPS may provide the same or lesser advice, but which are included in consolidated performance reports prepared for the client. This fee is generally 1.25%; however, in FPS' sole

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of the client's committed investment in each such vehicle until the conclusion of the commitment period, which value is aggregated with the total value of all other advisory assets. After the conclusion of the commitment period, the investment's fair market value as provided by the general partner is used for fee calculation purposes, in other words, during the investment period, FPS charges in the same manner as the underlying manager. This creates a potential conflict of interest during the commitment period where cash set aside for capital calls is held in the client's FPS advisory account. Please refer to Item 13.2.4 below ("Specific Conflicts and Mitigating Factors") for details regarding this conflict. Consistent with the possible negotiation of lower fees on other advisory assets referred to above, FPS may choose an alternative billing method for private equity that may result in a discounted fee. These alternative methods include charging only on the fair market value of the investment, in which case no fee will be charged until the first capital call or fair market value statement has been received by FPS or charging a one-time upfront advisory fee of two percent (2%) on the commitment value of the investment.

discretion, a lower fee with respect to such assets may be negotiated, based upon such things as the amount of assets held at a preferred custodian and the overall client relationship. For purposes of fee calculation, the assets to which the fee described in this paragraph applies are segregated from assets held at a preferred custodian; in other words, the fee applicable to assets held at a preferred custodian (which are subject to the sliding fee schedule shown above, unless a different fee has been agreed upon in writing between the client and FPS) is not applied to the type of “held away” assets discussed in this paragraph.

Where accounts are managed by an outside Investment Manager, any fee charged by the Investment Manager will be established by such Manager and will be in addition to the FPS advisory fee. The procedure for processing the outside Investment Manager’s fee will be either of the following: (1) the Account Custodian will deduct the Investment Manager’s fee from the Account and deliver it to the Investment Manager, or (2) FPS will deduct both its Advisory Fee and the Investment Manager’s fee from the Account, and forward the Investment Manager’s fee to the Custodian for delivery to the Investment Manager. Outside Investment Managers have their own procedures and may require that fees be deducted in advance or in arrears. Each outside Investment Manager’s documentation spells out the terms of fee deductions and any special arrangements, such as procedures for partial-quarter billings or refunds, specifically.

Clients may incur additional expenses in connection with maintaining accounts or certain investments. Mutual funds, including no-load funds, ETFs and alternative funds, such as limited partnerships, feeder funds, have management fees, operating costs and other embedded costs that are typically charged to each underlying investor on a pro-rata basis. Many mutual funds charge a “12b-1 fee” based on a percentage of assets invested in the fund, which is used to defray marketing and other distribution expenses of the adviser and/or distributor on behalf of the mutual fund. Alternative funds, *e.g.*, limited partnerships, feeder funds, private capital funds, venture capital funds, etc., also typically charge an incentive fee based on performance. This incentive fee can be 10% to 20% of the profits of the fund, and in some instances higher. Retirement accounts typically incur annual custodial fees charged by the Custodian. Security sales have a small transaction fee collected for government purposes. Transactions often have “miscellaneous”, or “postage and handling” fees added, and there may be additional fees for paper trade confirmations and paper copies of periodic account statements. FPS does not receive, participate in the collection of, or otherwise benefit from any of the additional fees described in this paragraph.

An annual administrative fee of up to seven basis points (0.07%) is also charged to cover custodial fees charged by FPS’ primary custodians, Pershing LLC and TD Ameritrade, and costs relating to reporting services.<sup>4</sup> Such fees are debited directly from the client’s account by the custodian. FPS does not retain any portion of these fees. Other custodians of clients’ “held away” assets may also charge administrative or other fees. Clients should consult directly with such other custodians for information.

If mutual funds are recommended for portfolio accounts, FPS recommends fund share classes which are available at net asset value. Some mutual funds pay on-going asset-based service fees to FPS (“12b-1 fees”). This creates a conflict of interest, as FPS may have incentive to recommend mutual funds which pay 12b-1 fees to FPS even when there may be funds with similar track records and

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<sup>4</sup> Different custodial/administrative fees apply to client portfolios that receive services from Envestnet Asset Management, Inc. Please see below for details.



investment approaches which do not pay such fees. However, and as noted in the “Conflicts” section of this Brochure, FPS mitigates this conflict of interest by rebating any such 12b-1 fees it receives to the client’s account, eliminating the incentive to recommend such funds over others. Expenses and fees charged by each mutual fund are described in the respective fund prospectuses.

FPS has entered into an arrangement with a third party, Envestnet Asset Management, Inc. (“Envestnet”), pursuant to which Envestnet provides certain advisory, operational and technological services to FPS for certain client accounts, including, but not limited to, Uniform Managed Accounts (UMA), Separately Managed Accounts (SMA), Advisor as Portfolio Manager (APM), overlay services, and web-based reporting and data aggregation services. Where a Client’s FPS advisory portfolio receives services from Envestnet, FPS will charge advisory fees in accordance with the schedule set forth above. All other matters discussed in this section with respect to the advisory fee charged by FPS apply to client portfolios that receive services from Envestnet, including, but not limited to, the negotiation of discounted fees and the considerations discussed in Footnotes 3 and 4.

Clients who receive services through Envestnet will incur certain fees charged by Envestnet separate from the advisory fee charged by FPS, the application and amount of which will depend on the specific service(s) provided. These fees range from 0.05% to 0.10% of the assets in the Client’s portfolio with respect to which Envestnet services are provided. In addition, a minimum \$32 per account annual fee for performance reporting services may apply. Please note that where a Client receives multiple services from Envestnet, the percentage fees noted herein will be applied to each service, and thus will, in the aggregate, reflect a multiple of the base Envestnet fee level. In addition to the above, a custodial fee of 0.03% applies to all Envestnet advisory accounts. All specific Envestnet fees applicable to a Client’s portfolio will be disclosed in writing upon establishment of the Client’s advisory relationship. FPS does not receive any portion of the fees charged by Envestnet for its services.

FPS is a securities broker-dealer in addition to a registered investment advisor and typically acts as the introducing broker for transactions effected for clients’ advisory accounts. However, clients paying for advisory services at FPS with asset-based fees are not charged commissions for brokerage transactions effected for their advisory accounts. Advisory fees are not reduced by any transaction charges which might be incurred for accounts held away from FPS. All transactions are fully disclosed agency transactions. There are no principal markups or markdowns. FPS does not engage in proprietary trading.

**Best Execution.** FPS takes its responsibility for Best Execution seriously. While quality of execution at the best price is an important consideration, best execution does not necessarily mean lowest price and it is not the sole consideration. Instead, the totality of the arrangement and services provided by a broker-dealer must be examined to determine best execution. Accordingly, while FPS considers competitive rates, it does not necessarily obtain the lowest possible commission rates for your account transactions. Therefore, the overall services provided by FPS and custodians are evaluated to determine best execution.

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

Some clients of FPS are charged a performance-based fee. The fee may be based on a share of capital gains or total return of a clients' assets. Further, the fee may be based achieving a stated level of performance or on performance relative to a specified benchmark. The client's Advisory Services Agreement will specify how the performance-based fee is calculated, how frequently it is paid, and whether the performance-based fee will be assessed on all the client's assets under advisement with FPS or on a specified portion of those assets.

All performance-based fees are negotiated separately with each client, and FPS will only charge a performance-based fee to "Qualified Clients" as defined by Rule 205-3 of the Advisers Act.

Charging performance-based fees creates conflicts of interest, including:

- (i) Advisors managing fees under this arrangement are incentivized to recommend investments that potentially are riskier than those recommended under an asset-based fee arrangement.
- (ii) Advisors managing funds for clients with a mix of asset-based and performance-based fees are incentivized to favor those accounts for which the Advisor will receive a performance-based fee.
- (iii) Advisors are incentivized to allocate scarce investment opportunities to clients paying performance-based fees. An example is limited partnerships seeking only a certain level of funding.

FPS has and enforces written policies and procedures that are reasonably designed to prevent violation of the Adviser Act by our Firm or its Advisors with regard to performance-based fees and the conflicts of interest they create. These include trade allocation and aggregation policies, the FPS Code of Ethics, which governs behavior of all employees, and review procedures designed to identify unfair or unequal treatment of accounts.

## **Item 7      Types of Clients**

FPS' clients are generally individuals and entities controlled by individuals, such as pension plans, IRAs and trusts. We generally work with high net worth and ultra-high net worth clients with \$10 million or more to invest. However, at its sole discretion, FPS may accept clients with net worth of lesser amounts, depending on various factors, including, for example, the client's investment experience, financial circumstances and objectives, the appropriateness of the advisory services offered by FPS for such client, and/or the existence of relationships with the Firm on the part of related parties.

### **7.1 Client Information Provided to Third-Party Managers**

FPS provides client information to third-party managers for two purposes:

- (i) Identifying information sufficient to enable the manager to open the account; and
- (ii) Information regarding the client's risk tolerance and investment objectives to enable the manager to effectively manage the portfolio.

We provide the manager with updated information as we become aware of such.

## 7.2 Client Contact with FPS Advisors and Third-Party Managers

We do not place any restrictions on clients' access to information regarding their advisory relationship with FPS. Clients may confer with FPS Advisors at any time that may be mutually convenient within or outside regular business hours. If a client wishes to contact and/or consult with an outside portfolio manager, our Advisors use their best efforts to arrange the contact and/or consultation. Independent asset managers have their own separate policies regarding how and how often they may communicate with clients. We have no control over the policies of these unaffiliated managers.

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

To effect the investment strategy selected by the client, the Firm has developed a volatility-targeted approach that determine the underlying recommendations, including the asset allocation and third-party manager selection, for each client's stated goal.

FPS's primary approach is a strategic asset allocation aimed at reducing over-all portfolio risk through diversification. The asset allocation aims to optimize the quantity and types of risk factors present in the portfolio. Such an approach considers the client's financial goals and objectives and is based on Advisors' assumptions about future economic factors such as economic growth, inflation, interest rates, and the risk, return and correlation characteristics of asset classes and segments. Client portfolios use ETFs, mutual funds, SMAs, limited partnerships, cash equivalents and other investments (internal Focus List) that have been vetted, approved and researched by the Firm's research team.

Discretionary portfolios may invest in an approved list of individual securities. The firm utilizes a quantitative model that incorporates 12 research concepts to screen stocks. Such assets are subject to varying degrees of investment, market, credit interest rate, and regulatory risks. Clients should be aware that diversification does not ensure a profit or protect against a loss in a declining market. There is no guarantee that any particular asset allocation or mix of strategies will meet their investment objectives or provide a given level of income or return. Investment goals and portfolio results may be materially impacted by a client's failure to update their personal and financial information.

### 8.1. Capital Market Expectations

The firm analyzes and links macroeconomic and market dynamics through the development of forward-looking capital market expectations (CMEs) including the future rate of return, volatility, and correlation for capital markets and economic factors such as the rate of change in economic growth and inflation. CMEs are subject to change over time with changes to our underlying assumptions and may impact strategic asset allocations.

### 8.2. Asset Allocation & Rebalancing

Through discussions with the prospective client, FPS develops an asset allocation tailored to a client's needs, including their volatility target, risk preferences, investment horizon, income needs,

tax situation, and current global market conditions. The Firm utilizes a volatility-budgeting approach to strategic asset allocation designed to deliver a pre-defined level of expected portfolio volatility. The process solves for risk diversification first, and then allocates the capital. This approach deemphasizes market forecasting and relies more on aligning the types of risk factors with the client's goal and the prevailing macroeconomic environment.

Client portfolios are reviewed by the firm to ensure the clients' assets are managed in a manner consistent with their individual investment policy statement and investment objectives. Non-discretionary clients will review and must approve rebalancing recommendations made by the firm's Advisor. Discretionary clients' portfolios will be rebalanced periodically at FPS's discretion and guided by the client's Investment Policy Statement, but such rebalancing will not require client approval as a consequence of rebalancing, clients may incur potentially adverse tax consequences.

### 8.3 Manager Research & Due Diligence

FPS expresses clients' strategic asset allocation portfolios using a combination of active and passive third-party investment strategies and/or internally managed portfolios. These strategies may include separately managed accounts, limited partnerships, mutual funds and exchange traded funds. Certain direct investment opportunities may be available for qualified clients. Certain discretionary accounts may express asset allocations with individual equity, credit, and Treasury securities.

To maintain objectivity, FPS does not accept platform fees, marketing allowances, or any other form of compensation from outside investment managers wishing to gain access to FPS's investment platform and clients.

The philosophy and framework for analysis, investment strategies and risk management incorporate screening, due diligence and ongoing research of third-party investment strategies. The Firm seeks to identify money managers with a strong risk-management profile, distinctive alpha generating skills, an accomplished performance record (absolute and relative to its peer group, and liquidity, fees, and minimums aligned with our clients' goal and objectives.

An investment strategy or vehicle may be recommended to a client portfolio only if it has passed the manager research process and been added to the firm's Focus List.

### 8.4. Performance Reporting

The firm uses the Fieldscope™ system for performance reporting, which acquires data electronically from multiple accounting systems, custodians, and platforms to allow Advisors and clients a comprehensive view of portfolio performance. If needed, we reconcile after receiving the data, to ensure clients and Advisors receive accurate investment performance calculations.

### 8.5 Risk of Loss

***There is no guarantee that recommended investments, or the investment strategies discussed herein will be successful. Investing in securities involves the risk of losing money, and clients should be prepared to bear the loss of all or a significant portion of their invested money.***

## **Item 9      Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business and/or the integrity of our management.

FPS as an investment advisor and its personnel have no disciplinary history to report.

However, its broker/dealer counterpart has disclosures that occurred when the firm was under different ownership, management and supervision. These disclosures are more than 10 years old.

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

FPS is a wholly owned subsidiary of Fieldpoint Private Bank and Trust (“FPBT”), a Connecticut-chartered commercial bank.

Where appropriate, FPS and its employees may recommend the various services of FPBT to its advisory clients. FPBT and its employees may also recommend FPS’s advisory services to their clients. The services provided by FPBT are separate and distinct from FPS’s advisory services and are provided for separate and/or additional compensation. There may also be arrangements between FPS and FPBT whereby FPS and/or FPBT and their employees receive payment in exchange for client referrals. No FPS client is obligated to use FPBT’s services.

In addition to being a registered investment advisor, FPS is a FINRA-registered securities broker-dealer, and many of our investment advisor agents are also registered representatives for securities commission-based business.

FPS is licensed to sell life insurance products, and certain of our associated persons are also licensed as life insurance producers in certain states. FPS considers its registrations and licenses for multiple business lines as beneficial to broadening the potential scope of engagements with its clients and being able to offer a full range of financial services to its clients. Different products may have differing levels of pricing and compensation. If more than one product might address a client’s financial needs, FPS would have an incentive to recommend the product with higher compensation for FPS.

FPS actively monitors the above scenarios that create a material conflict of interest to mitigate such conflicts.

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

### **11.1 Code of Ethics**

FPS’s Code of Ethics is intended to promote honest and ethical conduct, including open and principled disclosure and handling of actual or apparent conflicts of interest between personal and professional relationships. Our Code of Ethics requires compliance with applicable laws and regulations, protection of confidential information, ethical business practices, and personal conduct on the part of all of the Firm’s colleagues. A complimentary copy of FPS’s full Code of Ethics is available upon request by calling us at (203) 413-9300 or by sending an email to [FPSCompliance@fieldpoinprivate.com](mailto:FPSCompliance@fieldpoinprivate.com).

### **11.2 Participation or Interest in Client Transactions**

FPS does not sell to, nor purchase from, clients any securities in which FPS has a material financial interest. FPS does not execute cross transactions in advisory accounts.

### 11.3 Personal Trading

FPS and its employees may purchase or sell securities recommended for purchase or sale in client accounts. If such transactions are executed on the same day as client transactions in the same or related securities,<sup>5</sup> FPS' practice is to place trade executions with the most advantageous prices in client accounts.

### 11.4 Conflicts of Interest

FPS endeavors to offer its clients an investment advisory program that emphasizes the practice of putting the best interests of its clients ahead of the Firm's and its Advisors', and that minimizes the likelihood of conflicts of interest that might interfere with this philosophy. To this end, FPS:

- Does not develop, market or recommend to clients any proprietary investment products.
- Does not accept "program fees" or any other compensation from outside investment managers for access to FPS' advisory platform or featured placement on its menu of available products.
- Does not accept 12b-1 marketing/distribution fees from mutual funds held in clients' advisory accounts.<sup>6</sup>

### 11.5 Specific Conflicts and Mitigating Factors

1. A number of mutual funds researched and recommended by FPS are included in Pershing LLC's FundVest program, in which FPS participates. Such funds pay a fee to Pershing for inclusion in FundVest, and, where FPS clients invest in such funds, FPS, pursuant to its agreement with Pershing, receives a percentage of the aggregate revenue received by Pershing from such fees. This creates a conflict in that receipt of such revenue could create an incentive for FPS to recommend FundVest funds to clients over other funds. However, for purposes of evaluating which mutual fund(s) among those on the firm's Focus List should be recommended for a client's account, no distinction is made between those that participate in the FundVest program and those that do not; in fact, FPS' Advisors are not made aware of which funds participate in FundVest. All recommendations are carefully evaluated by the Advisors as to their suitability based only on the client's specific objectives and circumstances, and their advantages and disadvantages as compared with other mutual funds on the Focus List. Presently, the share of Pershing's FundVest revenue received by FPS is *de minimis*, amounting to approximately \$1,500 per month, further mitigating any incentive FPS might have to recommend Fundvest funds to clients over other funds.
2. FPS participates in a program whereby excess cash in clients' advisory accounts is swept to

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<sup>5</sup> "Related Securities" means derivatives of a security, such as rights, warrants, and options.

<sup>6</sup> In the event that FPS receives 12b-1 fees from a mutual fund held in a client's advisory account, such payment is rebated to the client's account.



an omnibus account maintained by Pershing LLC, FPS's primary custodian, at Bank of New York Mellon, Pershing's intermediary bank. An amount equivalent to the aggregate amount of such cash swept each day is then transferred to omnibus money market accounts at FPS's parent bank and other banks unaffiliated with FPS. Pursuant to its overall custodial agreement with Pershing LLC, FPS receives a percentage of fees received by Pershing LLC in connection with applicable cash swept to money market accounts at *unaffiliated* banks under the program. Such fees are paid to Pershing directly by the money market company and are not deducted from client accounts, and do not represent 12b-1 fees earned by FPS. FPS does not receive a share of any fees paid to Pershing LLC by the money market company relating to cash swept to the omnibus account at FPS's parent bank. FPS does not believe this arrangement creates a conflict of interest with its clients, as FPS has no financial incentive to direct cash to the omnibus money market account maintained by Pershing at FPS's parent bank.

3. As noted in the "Fees and Compensation" section of this Brochure (Item 3), for purposes of fee calculation, the default valuation for investments in private equity is based on the dollar amount of the client's committed investment in each such vehicle until the conclusion of the commitment period (after which the fair market value as provided by the general partner is used), which value is aggregated with the total value of all other advisory assets. If cash intended to fund a capital call with respect to a client's private equity investment is held in the client's FPS advisory account, it is included in the account's total assets for purposes of fee calculation, creating a potential conflict in that double-billing could be applied to such cash (i.e., the client could be charged both on the commitment value of the investment and on the cash amount). This potential conflict does not exist where cash ultimately to be used for capital calls is held away from FPS. While FPS endeavors to identify any such potential situation and correct it accordingly, clients are urged to carefully review their account statements with respect to fees charged and immediately notify their FPS Advisor of any suspected double-billing resulting from private equity investments. Consistent with the possible negotiation of lower fees on other advisory assets referred to above, FPS may choose an alternative billing method for private equity that may result in a discounted fee. These alternative methods include charging only on the fair market value of the investment, in which case no fee will be charged until the first capital call or fair market value statement has been received by FPS or charging a one-time upfront fee of two percent (2%) on the commitment value of the investment.

## **Item 12      Brokerage Practices**

Where clients maintain both fee-based advisory and commission-based brokerage accounts at FPS, it is FPS's policy to take all appropriate steps to avoid any conflicts or circumstances that might prove disadvantageous to the client.

As noted above, FPS does not charge commissions for securities transactions in advisory accounts held at FPS. If FPS did charge commissions for transactions effected to facilitate investment advice, it could create a conflict of interest in that FPS would have an incentive to recommend more



transactions than it might if transactions were executed at another brokerage firm.

However, clients with separate accounts at outside money managers may have brokerage services selected by the outside managers. FPS has no control over, or ability to influence, fees charged by other brokerage firms.

FPS does not send commission business to other brokers in return for client referrals, nor does FPS receive commission business from other parties in return for client referrals. However, as discussed in Item 15, FPS does from time to time enter into referral arrangements whereby third parties are paid a portion of the advisory fees received by FPS for referrals of clients who establish an investment advisory relationship with the Firm. Please see Item 15 for details.

**Soft-Dollar Practices:** FPS does not receive research or other soft-dollar benefits for directing commission business to other firms.

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<sup>7</sup> Clients are reminded that performance reports are for informational purposes and are not the official record of their Account(s). The account statement sent by the custodian is the official account record.

## **Item 13      Review of Accounts**

The individual FPS Advisors review client account performance regularly, and discuss results with clients on a routine basis, but in no event less than annually. Clients receive written account statements from their custodians no less than quarterly, as well as periodic performance reports from FPS. Clients are strongly encouraged to carefully review their account statements and performance reports promptly upon receipt, and to contact their FPS Advisors with any questions or if they need additional information.<sup>7</sup>

Advisory accounts are subject to routine monitoring by FPS Compliance and Operations. Any apparently questionable activity is investigated to evaluate the appropriateness of how the account has been handled.

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

From time to time, FPS enters into arrangements whereby third parties are remunerated for referring investors to FPS who establish investment advisory relationships with the Firm. Such third parties are compensated based on a percentage of the advisory fees billed by FPS for investment advisory services provided to the client.

*Advisory fees paid by the client are not affected by this arrangement, i.e., the client pays only the advisory fee as stated in the client's Advisory Services Agreement with FPS and does not pay anything additional to compensate for the remuneration paid by FPS to the referring party.*

Referrers are required pursuant to their written agreements with FPS to deliver a written disclosure document, in a form mandated by FPS, to each potential client being referred to FPS at the time of the referral. The disclosure document informs the referred party of the existence of the referral agreement, explains the nature of the relationship between FPS and the referrer and the manner in which remuneration is paid to the referrer, and specifies that the cost to the referred party will not be affected in any way by any compensation paid by FPS to the referrer. As specified in the written agreement between FPS and the referrer, FPS will not pay any remuneration to the referrer with respect to any referred relationship unless and until it has received a copy of the disclosure document signed by the referred client verifying such client's receipt of and understanding of the document and consenting to the remuneration arrangement between FPS and the referrer. The referred client has the right to deny or withdraw such consent at any time by notifying FPS, in which event no compensation (or further compensation, if the client withdraws such consent after initially providing it) will be paid to the Referrer with respect to the referred client's advisory relationship.

## **Item 15      Custody**

FPS does not maintain custody of client money or securities. FPS clears security trades through the Pershing LLC division of Bank of New York Mellon, and Pershing is the custodian of the majority of assets for which FPS provides advisory services. FPS has also entered into an agreement with TD Ameritrade, Inc. whereby TD Ameritrade also provides custody services for some FPS advisory accounts. Other advisory account assets may be held at other brokerage firms, mutual fund

companies and insurance companies or custodians. In all cases, the custodians of client assets provide statements to Clients at least quarterly showing assets and values held at the respective firms.

It is important that Clients carefully review statements provided by the custodians promptly upon receipt to confirm that all account activity is consistent with their instructions and understanding, and promptly contact their FPS Advisor with any questions.

## **Item 16      Investment Discretion**

FPS may accept discretionary investment authority over client accounts. This discretionary authority is established by written authorization from the account owner(s), must be accepted by FPS, and must be approved by a supervisor. FPS retains the right, in its sole discretion, not to accept a client's request to enter into a discretionary relationship. Please see Item 4 ("Advisory Business") for details on the types of discretionary and non-discretionary relationships available.

Depending on the nature of the overall advisory relationship, the written authorization may be documented in a Discretionary Advisory Services Agreement or in an addendum to a Non-Discretionary Advisory Services Agreement. The latter is typically used when the account owner wishes to have a portion of the assets in their portfolio managed on a discretionary basis by FPS, while having the remainder of their assets in the portfolio handled on a non-discretionary basis. In such a situation, the discretionary and non-discretionary assets are segregated in different accounts.

Regardless of whether a Client chooses a discretionary or non-discretionary advisory relationship with FPS, the fee schedule discussed in Item 5 is the same. Where a Client signs a discretionary addendum to a Non-Discretionary Advisory Services Agreement, the advisory fee with respect to the discretionary assets will be the same as stated in the Non-Discretionary Advisory Services Agreement, unless otherwise agreed in writing.

When FPS is granted discretionary authority over an account, it means that FPS is authorized to make investment decisions of all kinds, including, but not limited to, the purchase and sale of individual securities, in the account without consultation with, or direction from, the account owner(s).

## **Item 17      Voting Client Securities**

FPS generally does not vote client securities. However, at its discretion, FPS may accommodate a client's request to vote securities directly or by arranging with a third-party vendor to vote proxies on such client's behalf. Assets held at outside money managers or at mutual funds or insurance companies will be subject to the policies of those entities.

For assets held in FPS accounts, clients who have not opted out of letting their beneficial ownership of securities be known to the underlying companies, and for whom proxies are not voted by FPS, will receive proxies either from the companies directly or from transfer agents or services retained by the companies. Under such circumstances, FPS plays no part in this process and disclaims any responsibility for the delivery or timeliness of delivery of proxy materials to securities owners. In

the case of tender offers, FPS will follow the instructions of the owners of accounts holding the securities. Account owners should telephone FPS at (203) 413-9300 to inform FPS whether or not to tender securities subject to tender offers.

## **Item 18      Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about FPS's financial condition. FPS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

FPS has no disclosures to report.

FPS has no relationship with any issuers of securities, other than its parent company, Fieldpoint Private Bank & Trust, whose shares, as of the date of this Brochure, are not publicly traded.